

Agency Proposed Budget

The following table summarizes the total executive budget proposal for the agency by year, type of expenditure, and source of funding.

Agency Proposed Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Exec. Budget Fiscal 06-07
FTE	1,095.05	10.70	0.00	1,105.75	14.70	0.00	1,109.75	1,109.75
Personal Services	46,769,287	2,756,947	0	49,526,234	2,910,278	0	49,679,565	99,205,799
Operating Expenses	53,475,361	10,060,494	1,421,098	64,956,953	11,429,082	174,574	65,079,017	130,035,970
Equipment	186,727	0	0	186,727	0	0	186,727	373,454
Capital Outlay	0	0	0	0	0	0	0	0
Benefits & Claims	6,072,076	0	0	6,072,076	0	0	6,072,076	12,144,152
Debt Service	292,045	0	0	292,045	(108,354)	0	183,691	475,736
Total Costs	\$106,795,496	\$12,817,441	\$1,421,098	\$121,034,035	\$14,231,006	\$174,574	\$121,201,076	\$242,235,111
General Fund	104,019,287	11,863,532	1,421,098	117,303,917	13,286,291	174,574	117,480,152	234,784,069
State/Other Special	2,084,959	602,510	0	2,687,469	599,459	0	2,684,418	5,371,887
Federal Special	228,677	326,175	0	554,852	326,175	0	554,852	1,109,704
Proprietary	462,573	25,224	0	487,797	19,081	0	481,654	969,451
Total Funds	\$106,795,496	\$12,817,441	\$1,421,098	\$121,034,035	\$14,231,006	\$174,574	\$121,201,076	\$242,235,111

Agency Description

The Department of Corrections (DOC), authorized in section 2-15-2301, MCA, is directed in section 53-1-201, MCA, to "utilize at maximum efficiency the resources of state government in a coordinated effort to: 1) develop and maintain comprehensive services and programs in the field of adult and youth corrections; and 2) provide for the care, protection, and mental and physical development of youth alleged to be youth in need of supervision, or delinquent youth who are referred or committed to the department." The department's five programs are:

- 1) Administration and Support Services:
 - a. Director's Office: Provides training, internal audit, victims information, policy, and investigation
 - b. Centralized Services Division: This office provides accounting, budgeting, legal services, human resources, automation technology, and statistics
 - c. Board of Pardons: This office is administratively attached to the Department of Corrections
- 2) Community Corrections:
 - a. Community Corrections Administration
 - b. Treasure State Correctional Training (Adult boot camp) at the Montana State Prison (MSP)
 - c. Pre-release programs (Adult)
 - d. Probation and parole
 - e. DUI Unit (WATCH Alcohol treatment facility at Warm Springs)
- 3) Secure Custody:
 - a. Montana State Prison in Deer Lodge
 - b. Montana Women's Prison in Billings
 - c. Contract bed facilities in Shelby, Great Falls, Missoula, and Glendive (regional prisons)
- 4) Montana Correctional Enterprises:
 - a. Ranch
 - b. Dairy
 - c. License plate factory
 - d. Vocational education
 - e. Prison industries programs
- 5) Juvenile Corrections Division:
 - a. Juvenile Corrections Administration
 - b. Juvenile Corrections Bureau: juvenile parole officers and detention licensing
 - c. Riverside Youth Correctional Facility in Boulder (juvenile female offenders)

- d. Transition Center in Great Falls
- e. Pine Hills Youth Correctional Facility in Miles City (juvenile male offenders)
- f. Juvenile Placement Funds

Agency Highlights

Department of Corrections Major Budget Highlights	
<ul style="list-style-type: none"> General fund increases by \$26.7 million primarily due to: <ul style="list-style-type: none"> Additional contract beds for \$13.2 million License plate replacement for \$4.4 million Additional beds for pre-release facilities for \$2.7 million Overtime and holiday payout for secure care employees of \$2.3 million A new offender tracking system for \$1.6 million Additional probation and parole officers for \$1.4 million 	
Major LFD Issues	
<ul style="list-style-type: none"> The operation capacity of existing secure care facilities A least cost study for the expansion of prison facilities Understated overtime and holiday payout of \$0.9 million in the secure care facilities budgets Cost per day in the Bozeman pre-release facility Increase of 19 FTE in the area of probation and parole Overstated cost in the Offender Tracking System budget Prepayments made to Corrections Corporation of America for the purchase of the Crossroads Correction Facility Fund switch for the production of license plates 	

Figure 1 below provides a breakdown of the reason for cost increases above the base year and the percentage of increases.

Figure 1 Department of Corrections Major Change Factors - General Fund		
Component	2007Biennium	Percent of Total
Double 2004 Base Budget	\$208,038,574	
Additional Probation and Parole	\$1,422,477	5.32%
Additional Contract Beds	13,154,393	49.18%
Additional Pre-Release	2,671,244	9.99%
Liscense Plate Replacement	4,350,588	16.27%
Overtime/Holiday Payout	2,325,154	8.69%
New Automation System	1,595,672	5.97%
Statewide Present Law and Other	<u>1,225,967</u>	<u>4.58%</u>
Totals	\$26,745,495	100.00%
Increase of base budget	12.86%	
Total 2007 Biennium	\$234,784,069	

Funding

The following table summarizes funding for the agency, by program and source, as recommended by the Governor. Funding for each program is discussed in detail in the individual program narratives that follow.

Total Agency Funding 2007 Biennium Executive Budget						
Agency Program	General Fund	State Spec.	Fed Spec.	Proprietary	Grand Total	Total %
01 Admin And Support Services	\$ 21,567,646	\$ 960,147	\$ -	\$ 106,399	\$ 22,634,192	9.3%
02 Community Corrections	54,937,105	1,060,004	-	-	55,997,109	23.1%
03 Secure Custody Facilities	118,161,140	2,478,702	187,168	-	120,827,010	49.9%
04 Mont Correctional Enterprises	7,542,613	-	-	863,052	8,405,665	3.5%
05 Juvenile Corrections	<u>32,575,565</u>	<u>873,034</u>	<u>922,536</u>	<u>-</u>	<u>34,371,135</u>	<u>14.2%</u>
Grand Total	<u>\$ 234,784,069</u>	<u>\$ 5,371,887</u>	<u>\$ 1,109,704</u>	<u>\$ 969,451</u>	<u>\$ 242,235,111</u>	<u>100.0%</u>

Biennium Budget Comparison

The following table compares the executive budget request in the 2007 biennium with the 2005 biennium by type of expenditure and source of funding. The 2005 biennium consists of actual FY 2004 expenditures and FY 2005 appropriations.

Biennium Budget Comparison								
Budget Item	Present Law Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	Present Law Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Biennium Fiscal 04-05	Total Exec. Budget Fiscal 06-07
FTE	1,105.75	0.00	1,105.75	1,109.75	0.00	1,109.75	1,095.05	1,109.75
Personal Services	49,526,234	0	49,526,234	49,679,565	0	49,679,565	94,491,518	99,205,799
Operating Expenses	63,535,855	1,421,098	64,956,953	64,904,443	174,574	65,079,017	108,374,326	130,035,970
Equipment	186,727	0	186,727	186,727	0	186,727	511,227	373,454
Capital Outlay	0	0	0	0	0	0	50	0
Benefits & Claims	6,072,076	0	6,072,076	6,072,076	0	6,072,076	13,112,272	12,144,152
Debt Service	292,045	0	292,045	183,691	0	183,691	584,090	475,736
Total Costs	\$119,612,937	\$1,421,098	\$121,034,035	\$121,026,502	\$174,574	\$121,201,076	\$217,073,483	\$242,235,111
General Fund	115,882,819	1,421,098	117,303,917	117,305,578	174,574	117,480,152	210,647,987	234,784,069
State/Other Special	2,687,469	0	2,687,469	2,684,418	0	2,684,418	4,687,882	5,371,887
Federal Special	554,852	0	554,852	554,852	0	554,852	725,730	1,109,704
Proprietary	487,797	0	487,797	481,654	0	481,654	1,011,884	969,451
Total Funds	\$119,612,937	\$1,421,098	\$121,034,035	\$121,026,502	\$174,574	\$121,201,076	\$217,073,483	\$242,235,111

Supplemental Appropriations

The executive is requesting a \$3 million general fund supplemental due to higher inmate populations than anticipated. This supplemental amount, provided by the Department of Corrections, is a very high-level estimate at this time based upon the current population projections. This amount will be refined as the legislative session proceeds.

Adult Population Growth Estimate

The Department of Corrections provides an estimate of the average daily population (ADP) that is used to forecast the number of beds required to hold offenders in the 2007 biennium. The department's estimate of the ADP shows an increase of 4.44 percent in FY 2006 and 4.50 percent in FY 2007. The actual increase in FY 2004 for ADP was 4.46 percent and the projected increase for FY 2005 is 4.40 percent.

The executive accepted the department's ADP projections in developing the 2007 biennium budget. This budget assumes that most of the state correctional facilities will be at or near operational capacity. Operational capacity is defined as the maximum facility population level at which daily operations and programs can be conducted safely and effectively (assumes some double bunking). The budget also assumes that most of the regional prisons will be at operational capacity. A key assumption in this budget is that the department would contract with Corrections Corporation of America, the owners of the private prison in Shelby, Montana, to build a new 500-bed unit that would be available for use in April of 2006. The assumption for the construction start date is April of 2005. The current operational capacity of the existing unit is 475 beds with an emergency capacity of 480 beds. Another key assumption in the forecast is that the county jails will hold 173 offenders in FY 2006 and 274 offenders in FY 2007. Figure 2 below provides the ADP history and growth projections.

Figure 2

Department of Corrections
Adult Daily Population Growth (ADP)
Fiscal Years 1997 through 2007

Facility	1997 Actual	1998 Actual	1999 Actual	2000 Actual	2001 Actual	2002 Actual	2003 Actual	2004 Actual	2005 Projected	2006 Projected	2007 Projected
Montana State Prison	1,289	1,261	1,288	1,261	1,268	1,319	1,307	1,325	1,380	1,380	1,380
MSP Expansion Unit	52	54	0	0	0	0	0	0	0	0	0
County Jails & Regional Prisons	142	204	310	441	455	519	474	548	577	550	588
Private Prisons	224	350	341	307	384	394	348	391	420	550	700
Boot Camp (TSCTC)	28	20	30	34	42	44	50	54	55	56	57
Prerelease	258	294	357	413	423	467	494	500	550	624	624
WATCH Program (DUI)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>27</u>	<u>119</u>	<u>116</u>	<u>116</u>	<u>116</u>	<u>116</u>
Subtotal Males	1,993	2,183	2,326	2,456	2,572	2,770	2,792	2,934	3,098	3,276	3,465
% Growth	11.28%	9.53%	6.55%	5.59%	4.72%	7.70%	0.79%	5.09%	5.59%	5.76%	5.76%
Montana Women's Prison	69	71	69	70	71	74	130	177	205	205	205
Boot Camp (TSCTC)	0	0	1	3	4	0	0	0	0	0	0
Intensive Challenge Program	0	0	0	0	0	7	6	7	12	12	12
County Jails & Regional Prisons	5	20	16	12	16	22	11	10	26	61	124
Private Prisons	0	4	40	50	61	74	7	0	0	0	0
Prerelease	54	86	87	95	111	115	119	132	132	152	152
WATCH Program (DUI)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>2</u>	<u>17</u>	<u>25</u>	<u>24</u>	<u>24</u>	<u>24</u>
Subtotal Females	128	181	213	230	263	295	290	351	399	454	517
% Growth	18.52%	41.41%	17.68%	7.98%	14.35%	11.98%	-1.53%	21.03%	13.68%	13.78%	13.88%
Intensive Supervision Program	156	156	184	194	226	252	277	255	260	260	260
% Growth	28.93%	0.00%	17.95%	5.43%	16.49%	11.50%	9.92%	-7.94%	1.96%	0.00%	0.00%
Probation & Parole	5,176	5,431	5,787	5,963	6,047	6,104	6,552	6,813	7,052	7,298	7,554
% Growth	3.67%	4.93%	6.55%	3.04%	1.41%	0.94%	7.34%	3.98%	3.51%	3.49%	3.51%
Total Adult ADP	7,453	7,951	8,510	8,843	9,108	9,421	9,911	10,353	10,809	11,288	11,796
% Growth	6.27%	6.68%	7.03%	3.91%	3.00%	3.43%	5.21%	4.46%	4.40%	4.44%	4.50%

General Fund Increases Over Fiscal 2004 Base Expenditures

Figure 3 shows the general fund increases in each of the Department of Correction's programs for FY 2006 and FY 2007 and reflects the 2007 biennium's increase as a percentage of the base budget.

Figure 3
Department of Corrections
General Fund Increases Over Fiscal 2004 Base Expenditures
by Function

	FY 2004 Base	FY 2006	FY 2007	Biennium	Percent Of Total	Percent Over Base
<u>Adult Secure Custody</u>						
Montana State Prison	\$29,754,721	\$454,421	\$445,990	\$900,411	3.37%	3.03%
Montana Women's Prison	4,311,989	87,668	84,248	171,916	0.64%	3.99%
Contract Beds	<u>17,904,680</u>	<u>4,215,250</u>	<u>8,930,783</u>	<u>13,146,033</u>	<u>49.15%</u>	73.42%
Subtotal	\$51,971,390	\$4,757,339	\$9,461,021	\$14,218,360	53.16%	27.36%
<u>Juvenile</u>						
Pine Hills School	\$5,888,038	\$686,004	\$683,912	\$1,369,916	5.12%	23.27%
Riverside Facility	1,292,259	53,519	58,267	111,786	0.42%	8.65%
Juvenile Placement	6,062,478	-20,134	-20,134	-40,268	-0.15%	-0.66%
Parole	1,356,167	-13,977	-13,331	-27,308	-0.10%	-2.01%
Transition Centers	<u>657,517</u>	<u>26,958</u>	<u>27,296</u>	<u>54,254</u>	<u>0.20%</u>	8.25%
Subtotal	\$15,256,459	\$732,370	\$736,010	\$1,468,380	5.49%	9.62%
<u>Community Corrections</u>						
Pre-Release	\$10,570,252	\$1,335,622	\$1,335,622	\$2,671,244	9.99%	25.27%
TACTC (Boot Camp)	1,482,839	12,926	11,072	23,998	0.09%	1.62%
WATCH (DUI Unit)	3,172,748	-2	-2	-4	0.00%	0.00%
Probation & Parole	<u>9,524,115</u>	<u>603,213</u>	<u>749,861</u>	<u>1,353,074</u>	<u>5.06%</u>	14.21%
Subtotal	\$24,749,954	\$1,951,759	\$2,096,553	\$4,048,312	15.14%	16.36%
<u>MCE (Prison Enterprises)</u>	\$1,572,197	\$3,878,141	\$520,078	\$4,398,219	16.44%	279.75%
Subtotal before Admin	\$93,550,000	\$11,319,609	\$12,813,662	\$24,133,271	90.23%	25.80%
	15,485,203	800,201	804,958	1,605,159		
<u>Administration</u>						
Support Services	\$9,542,890	\$1,900,953	\$580,913	\$2,481,866	9.28%	26.01%
Community Corrections	697,653	-3,763	-2,658	-6,421	-0.02%	-0.92%
Juvenile	<u>228,744</u>	<u>67,831</u>	<u>68,948</u>	<u>136,779</u>	<u>0.51%</u>	59.80%
Subtotal	\$10,469,287	\$1,965,021	\$647,203	\$2,612,224	9.77%	24.95%
Admin. % of Grand Total	10.06%	14.79%	4.81%	9.77%		
Grand Total	\$104,019,287	\$13,284,630	\$13,460,865	\$26,745,495	100.00%	25.71%

Adult Secure Custody

This area is comprised of the Montana State Men's prison, the Montana Women's prison, and all secure contract facilities. The 2007 biennium budget for general fund expenditures is expected to grow by 27.36 percent in the executive's budget. This increase is primarily due to an expected increase in contract beds due to the assumption that increases in average adult population will be placed in contract facilities.

Juvenile

This area is comprised of all of the sub programs in Juvenile Corrections including secure facilities and parole. This area is expected to grow by 9.62 percent in the executive's budget request. Most of the increase is in the Pine Hills School and is due to a request for overtime and statewide present law adjustments.

Community Corrections

This area is comprised of adult men and women's pre-release facilities, the boot camp, the WATCH program and probation and parole. The 2007 biennium budget for general fund expenditures is expected to grow by 16.36 percent in

the executive's budget. Most of this increase is due to the addition of beds in the pre-release facilities and the request for additional staffing in the area of probation and parole.

MCE (Prison Enterprises)

This area is comprised of all of the prison enterprises. This area is expected to grow by 279.75 percent in the executive's budget request, mostly due to the production of new license plates to meet the new issue requirements.

Administration

This area is comprised of all of the administrative services that provide support to the overall department and to the community corrections and juvenile corrections programs. These costs are expected to grow by 24.95 percent in the 2007 biennium mostly due to new automation for the offender tracking system, authority for the inmate welfare fund, and statewide present law adjustments. Administration was 10.06 percent of total direct costs during FY 2004 and is expected to be 9.77 percent of these costs during the 2007 biennium.

Inmate Cost Per Day

Cost per day, sometimes referred to as cost per bed day, is a general term used to describe the average cost for incarcerating an inmate for one day. The term "inmate day" is a day that an inmate is incarcerated in a facility. Cost per day is derived by taking the total costs to provide care and custody and dividing them by the total number of inmate days during the period, in which the costs were incurred. If the legislature changes the projections for the number of inmates in the system from the executive budget these costs per day can be used to provide revised cost estimates. However, one word of caution is offered. The costs incurred in operating these facilities are mostly fixed in nature. Given that fact, it takes a certain base level of costs to operate any facility for a wide number of inmates. Therefore, marginal increases or decreases in the offender population would not likely make a huge difference in the cost structure. The costs per day are provided in Figure 4 for the various facilities available to the Department of Corrections.

Figure 4
Adult Inmates Direct General Fund Cost Per Day
Projected 2007 Biennium

	Fiscal 2000 ADP Actual	Fiscal 2001 ADP Actual	Fiscal 2002 ADP Actual	Fiscal 2003 ADP Actual	Fiscal 2004 ADP Base	Fiscal 2005 ADP Projected	Fiscal 2006 ADP Projected	Fiscal 2007 ADP Projected
Average Daily Population								
Montana State Prison	1,261	1,268	1,319	1,307	1,325	1,380	1,380	1,380
Montana Women's Prison & Intensive Ch.	70	71	82	136	184	217	217	217
Contract Beds	810	916	1,009	840	949	1,023	1,161	1,412
Treasure State Correctional Training Center	37	46	44	50	54	55	56	57
Residential Alcohol Treatment (WATCH)	0	0	29	136	141	140	140	140
Pre-Release	508	534	582	613	632	682	776	776
Probation & Parole & ISP	<u>6,157</u>	<u>6,273</u>	<u>6,356</u>	<u>6,829</u>	<u>7,068</u>	<u>7,312</u>	<u>7,558</u>	<u>7,814</u>
Total	<u>8,843</u>	<u>9,108</u>	<u>9,421</u>	<u>9,911</u>	<u>10,353</u>	<u>10,809</u>	<u>11,288</u>	<u>11,796</u>
Annual General Fund Budget	Actual	Actual	Actual	Actual	Base	Projected	Projected	Projected
Montana State Prison	\$21,022,420	\$22,427,850	\$27,643,213	\$27,581,357	\$29,754,721	\$31,521,361	\$30,209,390	\$30,200,959
Montana Women's Prison	2,283,210	2,534,108	2,783,831	3,750,299	4,311,989	4,607,793	4,399,657	4,398,237
Contract Beds	15,638,789	17,664,767	18,889,655	15,139,247	17,904,680	20,102,764	22,038,175	26,835,463
Treasure State Correctional Training Center	1,272,086	1,433,303	1,430,786	1,408,807	1,482,839	1,537,163	1,495,835	1,493,981
Residential Alcohol Treatment	0	0	706,791	2,997,417	3,172,748	3,149,725	3,172,746	3,172,746
Pre Release	8,085,162	8,768,797	9,461,291	9,940,714	10,570,252	11,327,205	11,905,874	11,905,874
Probation & Parole & ISP	<u>8,459,613</u>	<u>9,121,096</u>	<u>8,706,444</u>	<u>9,286,507</u>	<u>9,524,115</u>	<u>10,139,321</u>	<u>10,128,203</u>	<u>10,274,851</u>
Total	<u>\$56,761,280</u>	<u>\$61,949,921</u>	<u>\$69,622,011</u>	<u>\$70,104,348</u>	<u>\$76,721,344</u>	<u>\$82,385,332</u>	<u>\$83,349,880</u>	<u>\$88,282,111</u>
General Fund Cost Per Inmate Day	Actual	Actual	Actual	Actual	Base	Projected	Projected	Projected
Montana State Prison	\$45.55	\$48.46	\$57.42	\$57.82	\$61.36	\$62.58	\$59.97	\$59.96
Montana Women's Prison	89.12	97.79	93.56	75.55	64.03	58.18	55.55	55.53
Contract Beds	52.75	52.83	51.29	49.38	51.55	53.84	52.01	52.07
Treasure State Correctional Training Center	93.94	85.37	89.09	77.19	75.03	76.57	72.65	71.81
Residential Alcohol Treatment	0.00	0.00	66.77	60.38	61.48	61.64	62.09	62.09
Pre Release	43.49	44.99	44.54	44.43	45.70	45.50	42.03	42.03
Probation & Parole & ISP	3.75	3.98	3.75	3.73	3.68	3.80	3.67	3.60

New Proposals

The "New Proposal" table summarizes all new proposals requested by the executive. Descriptions and LFD discussion of each new proposal are included in the individual program narratives.

New Proposals										
Program	FTE	Fiscal 2006				FTE	Fiscal 2007			
		General Fund	State Special	Federal Special	Total Funds		General Fund	State Special	Federal Special	Total Funds
DP 1 - Offender Tracking System - Restricted/OTO										
01	0.00	1,421,098	0	0	1,421,098	0.00	174,574	0	0	174,574
Total	0.00	\$1,421,098	\$0	\$0	\$1,421,098	0.00	\$174,574	\$0	\$0	\$174,574

Agency Issues

Actual Population vs. Designed Capacity of Secure Facilities

The purpose of this section is to provide an understanding of the capacity of Montana's secure correctional facilities and how the Department of Corrections intends to use these facilities in the 2007 biennium. It also provides various capacity ratings for each facility and an understanding of what these capacity ratings mean. Figure 5 provides a comparison of the Department of Correction's projected average daily population (ADP) for each of the secure facilities for FY 2006 and FY 2007 to the capacity design of the facility. The capacity design has three ratings: rated, operational, and emergency. The definitions of each capacity rating are as per the Department of Correction's policy number DOC 2.2.1 and comply with all applicable standards and codes.

Rated Capacity

The rated capacity for the facility is the population level for which the facility was designed. This capacity assumes single inmate cell occupancy.

Operational Capacity

The operational capacity for the facility is the maximum facility population level at which daily operations and programs can be conducted safely and effectively. This capacity assumes some double bunking in cells.

Emergency Capacity

The emergency capacity for the facility is that population level that, when reached, has the distinct possibility of compromising the classification system, the safety of staff and offenders, and the security of the facility.

Figure 5
Projected Population in Facilities Compared to Capacity Design

Facility/Program	Projected		Rated	Capacity Design		Under/(Over) Operational Capacity		Under/(Over) Emergency Capacity	
	FY 2006	FY 2007		Operational	Emergency	FY 2006	FY 2007	FY 2006	FY 2007
Adult Males:									
Montana State Prison	1,380	1,380	941	1,407	1,445	27	27	65	65
Dawson County Regional Prison	144	144	72	141	144	(3)	(3)	-	-
Cascade County Regional Prison	150	150	76	149	152	(1)	(1)	2	2
Missoula Assessment & Sanctions Center	144	144	72	141	144	(3)	(3)	-	-
Crossroads Correctional Center	550	700	318	475	480	(75)	(225)	(70)	(220)
Treasure State Correctional Training Center	56	57	60	60	60	4	3	4	3
Warm Springs Addiction Treatment & Change	116	116	118	118	118	2	2	2	2
Pre-Release	624	624	498	498	602	(126)	(126)	(22)	(22)
County Jails	115	150	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Adult Females:									
Montana Women's Prison	205	205	214	209	231	4	4	26	26
Warm Springs Addiction Treatment & Change	24	24	22	22	22	(2)	(2)	(2)	(2)
Pre-Release	152	152	133	133	146	(19)	(19)	(6)	(6)
County Jails	61	124	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Source of Capacity Design Counts: Legislative Audit Division - Financial Compliance Audit for the Two Fiscal Years ended June 30, 2004 - Department of Corrections

N/A: Not Available

Discussion of Each Facility

Montana State Prison (adult male offenders) – This facility is expected to hold 1,380 offenders during the 2007 biennium. Its operational capacity rating is 1,407, which does assume double bunking. The current projection show that the facility would be 27 beds under it operational capacity level.

Dawson, Cascade, and Missoula County Prisons (adult male offenders) – These facilities are expected to hold 438 offenders during the 2007 biennium. At this level each facility will hold offenders above the operational capacity and at or near the emergency capacity level.

Crossroads Correctional Center (adult male offenders) – This facility is expected to hold 550 offenders during FY 2006 and 700 during FY 2007. The executive's budget assumes that this facility will be expanded to accommodate this population at the current cost per offender day. The owner of this facility would need to construct additional beds to meet this demand.

Treasure State Correctional Training Center (adult male offenders) – This facility is expected to hold 57 offenders during the 2007 biennium, which is just under the operational capacity.

Warm Springs Addiction and Treatment and Change Facility (adult male and female offenders) - This facility is expected to hold 140 offenders during the 2007 biennium which is at the operational capacity.

Pre-Release facilities (adult male offenders) – These facilities are expected to hold 624 offenders during the 2007 biennium. The executive budget is requesting additional beds for these facilities.

County Jails (adult male offenders) - These facilities are expected to hold 115 offenders during FY 2006 and 150 offenders during FY 2007.

Montana Women's Prison (adult women offenders) – This facility is expected to hold 205 offenders during the 2007 biennium. This is below the operational capacity level.

Pre-Release facilities (adult female offenders) – These facilities are expected to hold 152 offenders during the 2007 biennium. The executive budget is requesting additional beds for these facilities.

County Jails (adult female offenders) - These facilities are expected to hold 61 offenders during FY 2006 and 124 offenders during FY 2007.

**LFD
ISSUE**

It is apparent that secure care populations in Montana are steadily increasing. Without major changes in current statutes, including sentencing, this trend will continue. All of the secure care facilities, with the exception of the private prison in Shelby, will be well above their rated capacities with some or above their operational capacities during some point in the 2007 biennium. As shown in the following figure, the executive is proposing to expand adult male secure care placements almost exclusively in the Crossroads facility, and expand the physical capacity by another 500 beds.

**LFD
ISSUE CONT.**

Figure 6
Department of Corrections - Secure Facilities
Adult Male Population Placements

Facility*	FY 2004	Biennial Addition	2007 Biennium	Percent of Increase
MSP	1,325	55	1,380	13.5%
County Jails/Regional Prisons	548	40	588	9.8%
Private Prisons	391	309	700	75.9%
Boot Camp	<u>54</u>	<u>3</u>	<u>57</u>	<u>0.7%</u>
Total	2,318	407	2,725	100.0%

*Does not include the DUI WATCH program

There are two issues: 1) can the state facilities continue to operate at or near operational capacity; and 2) is the executive's proposal to expand placements in the Crossroads facility the least costly alternative to expanding secure care capacity.

Operational Capacity

As stated, operational capacity is defined by the department as that capacity that is the maximum facility population level at which daily operations and programs can be conducted safely and effectively. This capacity assumes some double bunking in cells. If the current secure facilities operate at operational capacity for any length of time and slip into emergency capacity from time to time, the current definitions of these capacity ratings suggests that this event is dangerous to employees and offenders.

Is it acceptable to have populations in current facilities that are continuously at or above operational capacity levels? Are employees or inmates at risk of harm? Are the ratings as defined by the department's policy reasonable or are they assuming too much or too little population in their criteria?

Least Costly Alternative

Because the executive is proposing to expand secure care capacity almost exclusively in the Crossroads facility in Shelby, the question arises as to whether this decision is based upon a determination that this option is the least costly to the state, or whether the decision is based strictly upon current and expandable capacity.

The legislature may wish to direct the Department of Corrections to present their analysis of expansion options and the basis of their decision to expand the private prison rather than other alternatives. Also the legislature may wish to inquire from the department the timeline and the critical path items that need to be accomplished to have a reasonably priced contract in place for new beds by the time that they are needed to support the executive's population growth estimates.

Projected Shortfall in Overtime Request in the Governor's Budget

Figure 7 is a recalculation of the executive's budget request for overtime and holiday pay out in all programs of the Department of Corrections.

Figure 7
Department of Corrections

Projected Budget Shortfall in Overtime and Holiday Payout in the Executive's Budget

Correctional Facility	Type of Care	Base Budget		Adjustments to Base Budget for 2007 Biennium					Executive's Budget		
		Overtime Acct: 61102	Holiday Acct: 61138	Totals	3.00% Increase	Adjusted Total	17.00% Benefits	Grand Totals	Biennium Amount	2007 Biennium	Amount Over / (Short)
Riverside	Non-Direct	\$317	\$0	\$317	\$10	\$327	\$56	\$382			
	Direct	<u>14,347</u>	<u>857</u>	<u>15,204</u>	<u>456</u>	<u>15,660</u>	<u>2,662</u>	<u>18,322</u>			
		\$14,664	\$857	\$15,521	\$466	\$15,987	\$2,718	\$18,704	\$37,409	\$90,014	\$52,605
Transition Center	Non-Direct	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
	Direct	<u>575</u>	<u>600</u>	<u>1,175</u>	<u>35</u>	<u>1,210</u>	<u>206</u>	<u>1,416</u>			
		575	600	1,175	35	1,210	206	1,416	\$2,832	\$47,064	\$44,232
Pine Hills	Non-Direct	\$9,447	\$1,188	\$10,635	\$319	\$10,954	\$1,862	\$12,816			
	Direct	<u>167,940</u>	<u>18,657</u>	<u>186,597</u>	<u>5,598</u>	<u>192,195</u>	<u>32,673</u>	<u>224,868</u>			
		\$177,387	\$19,845	\$197,232	\$5,917	\$203,149	\$34,535	\$237,684	\$475,369	\$539,566	\$64,197
TSCTC	Non-Direct	\$0	\$0	\$0	\$0	\$0	\$0	\$0			
	Direct	<u>5,044</u>	<u>27,847</u>	<u>32,891</u>	<u>987</u>	<u>33,878</u>	<u>5,759</u>	<u>39,637</u>			
		5,044	27,847	32,891	987	33,878	5,759	39,637	\$79,274	\$61,952	-\$17,322
MSP	Non-Direct	\$124,717	\$11,193	\$135,910	\$4,077	\$139,987	\$23,798	\$163,785			
	Direct	<u>478,308</u>	<u>352,828</u>	<u>831,136</u>	<u>24,934</u>	<u>856,070</u>	<u>145,532</u>	<u>1,001,602</u>			
		\$603,025	\$364,021	\$967,046	\$29,011	\$996,057	\$169,330	\$1,165,387	\$2,330,774	\$1,391,780	-\$938,994
MWP	Non-Direct	\$2,488	\$50	\$2,538	\$76	\$2,614	\$444	\$3,059			
	Direct	<u>125,804</u>	<u>13,899</u>	<u>139,703</u>	<u>4,191</u>	<u>143,894</u>	<u>24,462</u>	<u>168,356</u>			
		\$128,292	\$13,949	\$142,241	\$4,267	\$146,508	\$24,906	\$171,415	\$342,829	\$256,730	-\$86,099
Totals		<u>\$928,987</u>	<u>\$427,119</u>	<u>\$1,356,106</u>	<u>\$40,683</u>	<u>\$1,396,789</u>	<u>\$237,454</u>	<u>\$1,634,243</u>	<u>\$3,268,487</u>	<u>\$2,387,106</u>	<u>(\$881,381)</u>

As Figure 7 indicates the executive's budget appears to be under-funded by approximately \$0.9 million for the 2007 biennium. Overtime and holiday payout is a zero based item and must be specifically requested in the budget. The executive budget request for overtime in the 2007 biennium is \$2.4 million. The amount of overtime and holiday pay out expended during FY 2004 by the department was \$1.4 million. When this base is adjusted for pay increases with benefits, the amount becomes \$1.63 million. The amount required for the biennium is double this amount or \$3.3 million.

**LFD
ISSUE**

If the amount of overtime is similar in magnitude during the 2007 biennium as it was in the 2005 biennium the department faces a funding shortfall and may need supplemental funding.

The legislature has the following options:

- 1) Increase the amount of the executive budget by the full \$0.9 million
- 2) Request that the department fund this shortfall from some other area within its approved budget
- 3) Fund some reduced amount and request that the department fund the difference

Program Proposed Budget

The following table summarizes the executive budget proposal for this program by year, type of expenditure, and source of funding.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Exec. Budget Fiscal 06-07
FTE	94.50	0.00	0.00	94.50	0.00	0.00	94.50	94.50
Personal Services	3,754,812	845,384	0	4,600,196	842,857	0	4,597,669	9,197,865
Operating Expenses	5,987,744	(27,317)	1,421,098	7,381,525	(107,516)	174,574	6,054,802	13,436,327
Equipment	0	0	0	0	0	0	0	0
Debt Service	0	0	0	0	0	0	0	0
Total Costs	\$9,742,556	\$818,067	\$1,421,098	\$11,981,721	\$735,341	\$174,574	\$10,652,471	\$22,634,192
General Fund	9,542,890	479,855	1,421,098	11,443,843	406,339	174,574	10,123,803	21,567,646
State/Other Special	105,261	376,338	0	481,599	373,287	0	478,548	960,147
Federal Special	0	0	0	0	0	0	0	0
Proprietary	94,405	(38,126)	0	56,279	(44,285)	0	50,120	106,399
Total Funds	\$9,742,556	\$818,067	\$1,421,098	\$11,981,721	\$735,341	\$174,574	\$10,652,471	\$22,634,192

Program Description

The Administration and Support Services Program includes the Director's Office, Centralized Services Division and the administratively attached Board of Pardons. This program provides to the department, government entities, and the public various administrative and management support, human resource, budget, accounting, information technology, legal information, technical correctional services, policy and staff development, and research and statistics.

Program Highlights

Department of Corrections Administration and Support Services Program Major Budget Highlights
<ul style="list-style-type: none"> General fund increases by \$2.5 million primarily due to: <ul style="list-style-type: none"> An increase of \$1.4 million for purchase and installation of a new offender tracking system (O-Track) Remainder of \$1.1 million is primarily due to statewide present law adjustments State special revenue funds increase by \$750,000 primarily due to funding authority for the inmate welfare fund
Major LFD Issues
<ul style="list-style-type: none"> The department does not need the funding authority requested in DP 12 for the inmate welfare fund – the fund has statutory authority The costs of the O-Track System are overstated by \$186,574 in FY 2006 and understated by \$12,000 in FY 2007 The Department of Corrections should make periodic reports on the development and installation of the O-Track System

Funding

The following table shows program funding, by source, for the base year and for the 2007 biennium as recommended by the Governor.

Program Funding Table Admin And Support Services						
Program Funding	Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
01100 General Fund	\$ 9,542,890	98.0%	\$ 11,443,843	95.5%	\$ 10,123,803	95.0%
02345 Inmate Welfare Fund	-	-	360,000	3.0%	360,000	3.4%
02689 Offender Restitution	98,659	1.0%	118,548	1.0%	118,548	1.1%
02917 Msp Canteen Revolving Acct	1,322	0.0%	937	0.0%	-	-
02927 Phs Donations/I & I	5,280	0.1%	2,114	0.0%	-	-
06033 Prison Ranch	64,945	0.7%	38,238	0.3%	35,689	0.3%
06034 Msp Institutional Industries	20,583	0.2%	12,486	0.1%	10,621	0.1%
06545 Prison Indust. Training Prog	8,877	0.1%	5,555	0.0%	3,810	0.0%
Grand Total	<u>\$ 9,742,556</u>	<u>100.0%</u>	<u>\$ 11,981,721</u>	<u>100.0%</u>	<u>\$ 10,652,471</u>	<u>100.0%</u>

This program is funded primarily with general fund and has a minor amount of state special revenue and proprietary funds. State special revenue funds are from the inmate welfare fund, restitution, Montana State Prison canteen, and the Pine Hills Youth Correctional Facility canteen. Proprietary funds are from the ranch, the institution industries, and the prison industries.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2006-----					-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				991,275					988,645
Vacancy Savings				(189,841)					(189,738)
Inflation/Deflation				(18,519)					(18,325)
Fixed Costs				(371,687)					(452,080)
Total Statewide Present Law Adjustments				\$411,228					\$328,502
DP 12 - Inmate Welfare Funds Authority									
0.00	0	360,000	0	360,000	0.00	0	360,000	0	360,000
DP 14 - Restitution Program Increase									
0.00	0	19,889	0	19,889	0.00	0	19,889	0	19,889
DP 18 - Board Of Pardons Member Per Diem									
0.00	26,950	0	0	26,950	0.00	26,950	0	0	26,950
Total Other Present Law Adjustments									
0.00	\$26,950	\$379,889	\$0	\$406,839	0.00	\$26,950	\$379,889	\$0	\$406,839
Grand Total All Present Law Adjustments				\$818,067					\$735,341

Statewide present law adjustments consist of:

- 1) The increase in personal service costs of \$991,275 in FY 2006 and \$988,645 in FY 2007 is mostly due to: a) a large vacancy savings in FY 2004 due to a high number of vacancies, some of which were kept open to generate funds for other programs; and b) use of one-time personal services contingency funds allocated by the Governor, what were removed from the base.

- 2) Fixed costs decrease by \$371,687 in FY 2006 and by \$452,080 in FY 2007 due primarily to decrease in insurance costs.

Other present law adjustments consist of:

DP 12 - IWF - Statutory Authority – The executive requests authority to expend \$360,000 in each year of the biennium of state special revenue from the inmate welfare fund. The source of these funds is from canteen profits, inmate telephone use, and cash proceeds from the disposition of confiscated contraband. These funds are expended on items that benefit the inmate population.

**LFD
ISSUE**

A statutory appropriation exists for these finds. This DP does not need to be part of HB2. The legislature may wish to take no action on this request.

**LFD
COMMENT**

The inmate welfare fund (IWF) was a non-budget agency account. HB 134 from the 2003 legislative session required the department to move the inmate welfare funds to a budgeted state special revenue account as a result of a legislative audit finding. HB 134 required the department to begin collecting and dispersing all inmate welfare funds.

DP 14 - Restitution Program Increase - The executive requests an increase in state special revenue to pay for the processing of restitution payments. The restitution unit collects restitution from offenders and makes payments to victims of crime. This request relates to an increase in collections, which increases workload and operating costs. The annual increase of \$19,899 is comprised of \$11,090 in personal services costs and \$8,799 in operation costs. Operating costs include: postage, long distance phone calls, check printing costs, envelopes, and office equipment. The state began managing this program in October of 2003. Prior to that date the counties managed the program.

**LFD
COMMENT**

Each offender is ordered to pay restitution and the department is allowed to add an additional 10 percent onto the court ordered restitution for the cost of administering the program.

The restitution unit had collected \$1.3 million in the first nine months of the program during FY 2004. The program expects to collect \$2.0 million during FY 2005 and is projecting collections of \$2.2 million and \$2.5 million during FY 2006 and FY 2007, respectively. Payments are made to victims on a quarterly basis. HB 220, passed by the 2003 Legislature, clarified that the Department of Corrections can collect restitution from offenders' prison accounts, earnings after their release, and property. The restitution obligation remains with the offender until it is fully paid or, upon their death, the balance attaches to their estate.

DP 18 - Board Of Pardons Member Per Diem - The executive requests funding for Board of Pardons member per diem of \$50 per day for every day that the member is engaged in the performance of board duties. Board member compensation is outlined in 2-25-124 (7), MCA. This expenditure is a zero-based activity. The board conducts monthly hearings throughout the state at each of the prisons and pre-release centers. In addition to parole hearings, the board conducts numerous revocation, rescission, and administrative reviews. The activities of the board are expected to be accomplished in 77 days per fiscal year (77 days x \$50 per day x 7 board members = \$26,950)

New Proposals

Fiscal 2006						Fiscal 2007				
Program	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
New Proposals										
DP 1 - Offender Tracking System - Restricted/OTO										
01	0.00	1,421,098	0	0	1,421,098	0.00	174,574	0	0	174,574
Total	0.00	\$1,421,098	\$0	\$0	\$1,421,098	0.00	\$174,574	\$0	\$0	\$174,574

DP 1 - Offender Tracking System - Restricted/OTO - The executive is requesting general fund to pay for the purchase and installation of a new offender tracking system (O- Track) to replace the current system that was installed in the mid-1980s. Through participation in a consortium of states the department would acquire a comprehensive, free, open source offender management system. In order to implement this system, modifications would be implemented to be in compliance with Montana's statutes, regulations, policies, and practices unique to the state. This decision package is a one time only and restricted request.

The following figure shows a detailed breakdown of the cost of the system.

Figure 8 Department of Corrections New Offender Tracking System Cost Components			
Cost Component	Expenditures FY 2006	Expenditures FY 2007	Expenditures Total
Basic Module	\$650,000	\$0	\$650,000
Juvenile Module	200,000	0	200,000
Medical Module	125,000	0	125,000
ITSD Hosting	174,574	174,574	349,148
IBM Support	12,000	12,000	24,000
Training - Informix	20,000	0	20,000
Training - Powerbuilder	20,000	0	20,000
Powerbuilder Licenses	14,975	0	14,975
Power Designer Licenses	14,975	0	14,975
PVCS Version Manager	2,250	0	2,250
PVCS Defect Tracker	750	0	750
Total	<u>\$1,234,524</u>	<u>\$186,574</u>	<u>\$1,421,098</u>
Reconciliation:			
DP 1 Amounts	1,421,098	174,574	1,595,672
(Over)/Understated	(\$186,574)	\$12,000	(\$174,574)

**LFD
ISSUE**

The costs of the system are over stated by \$186,574 in FY 2006 and understated by \$12,000 in FY 2007. The legislature may wish to make an adjustment to this DP to fix these items. The amount in FY 2006 has two ITSD hosting amounts of \$174,574 and two IBM support amounts of \$12,000. The amount in FY 2007 is missing the IBM support amount of \$12,000.

**LFD
COMMENT**

An offender management system tracks information that is important to appropriate and effective management of the inmate as they proceed through the correctional process. This information includes: the inmate's conduct, training, medical condition, length of sentence, and many others. It also tracks offenders on parole and probation. The Department of Corrections' (DOC) current offender management system is the Adult Criminal Information System (ACIS) that was operational as of February 1986. Over time, the functionality of the ACIS system was not able to meet the all of the demands of DOC and the technology that ran ACIS was out of date. In 1997, DOC decided to develop ProFiles as a replacement system for ACIS. Due to a series of events, the ProFiles system was never fully developed and installed. Today all four of the original ACIS modules are still in operation with two modules using a hybrid of ProFiles/ACIS technologies. The remaining ProFiles development has been halted.

The O-Track system was developed by the state of Utah with the first module becoming operational in 1996. Since that date several other modules have been developed and deployed, and five other states have established programs to implement the system. A module, which is a defined set of functions, has four main types: the jails/institutions module, the field components module, the pre-release module, and the healthcare module.

A consortium of states owns the O-Track system. As each state joins the consortium, the developments of any other state are available to the new member at no charge. Alternatively, any new development or modification to an existing module accomplished by a new member becomes the property of the consortium. For example, the modifications noted above in DP 1 that would be paid for by the state of Montana would not only be of benefit to Montana but would be available to any existing or future member of the consortium of states.

**LFD
ISSUE**

The DOC has not yet developed an implementation plan and timeline for the O-Track project. This fact was highlighted by a recent audit conducted by the Legislative Audit Division (LAD), which recommended that the DOC "develop and follow a structure decision-making and project management framework".

Given this fact, the legislature may wish to ask the DOC to present the plan and report on progress to the appropriate interim committee.

Program Proposed Budget

The following table summarizes the executive budget proposal for this program by year, type of expenditure, and source of funding.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Exec. Budget Fiscal 06-07
FTE	205.00	15.00	0.00	220.00	19.00	0.00	224.00	224.00
Personal Services	9,291,137	526,295	0	9,817,432	670,440	0	9,961,577	19,779,009
Operating Expenses	16,460,300	1,647,873	0	18,108,173	1,649,627	0	18,109,927	36,218,100
Equipment	0	0	0	0	0	0	0	0
Total Costs	\$25,751,437	\$2,174,168	\$0	\$27,925,605	\$2,320,067	\$0	\$28,071,504	\$55,997,109
General Fund	25,447,607	1,947,996	0	27,395,603	2,093,895	0	27,541,502	54,937,105
State/Other Special	303,830	226,172	0	530,002	226,172	0	530,002	1,060,004
Federal Special	0	0	0	0	0	0	0	0
Total Funds	\$25,751,437	\$2,174,168	\$0	\$27,925,605	\$2,320,067	\$0	\$28,071,504	\$55,997,109

Program Description

The Community Corrections Program includes adult probation and parole, male and female community corrections programs, boot camp training unit and a DUI treatment facility. The department contracts with non-profit corporations in Great Falls, Butte, Missoula, Billings, and Helena for pre-release services.

Program Highlights

Department of Corrections Community Corrections Major Budget Highlights
<ul style="list-style-type: none"> • Increase of \$4 million in general fund is due primarily to: <ul style="list-style-type: none"> • 19.00 FTE in the area of probation and parole at a cost of \$1.4 million • Prerelease bed increase of \$2.7 million
Major LFD Issues
<ul style="list-style-type: none"> • Cost per bed day in the new Bozeman facility is significantly above rates in current facilities • The increase in 19.00 FTE may be overstated to maintain the average expected increase in probation and parole population

Funding

The following table shows program funding, by source, for the base year and for the 2007 biennium as recommended by the Governor.

Program Funding Table						
Community Corrections						
Program Funding	Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
01100 General Fund	\$ 25,447,607	98.8%	\$ 27,395,603	98.1%	\$ 27,541,502	98.1%
02261 P & P Supervisory Fee	<u>303,830</u>	<u>1.2%</u>	<u>530,002</u>	<u>1.9%</u>	<u>530,002</u>	<u>1.9%</u>
Grand Total	<u>\$ 25,751,437</u>	<u>100.0%</u>	<u>\$ 27,925,605</u>	<u>100.0%</u>	<u>\$ 28,071,504</u>	<u>100.0%</u>

This program is funded primarily with general fund and has a minor amount of state special revenue funds. State special revenue funds are from supervision fees charged to each offender. Each supervised offender pays \$10 per month in supervision fees. These funds are used to fund probation and parole training and supplies.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2006-----					-----Fiscal 2007-----					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services				374,793					377,437	
Vacancy Savings				(386,629)					(386,751)	
Inflation/Deflation				(45,993)					(44,599)	
Fixed Costs				(1,020)					(1,020)	
Total Statewide Present Law Adjustments				(\$58,849)					(\$54,933)	
DP 1 - Additional Probation & Parole Staff										
15.00	640,247	0	0	640,247	19.00	782,230	0	0	782,230	
DP 2 - Maintain Community Corrections Programs										
0.00	1,335,622	0	0	1,335,622	0.00	1,335,622	0	0	1,335,622	
DP 5 - Community Corrections Overtime										
0.00	30,976	0	0	30,976	0.00	30,976	0	0	30,976	
DP 13 - Supervision Fee Spending Authority										
0.00	0	226,172	0	226,172	0.00	0	226,172	0	226,172	
Total Other Present Law Adjustments										
15.00	\$2,006,845	\$226,172	\$0	\$2,233,017	19.00	\$2,148,828	\$226,172	\$0	\$2,375,000	
Grand Total All Present Law Adjustments				\$2,174,168					\$2,320,067	

Each of these present law adjustments will be discussed in the sub-program sections that follow.

Sub-Program Details**COMMUNITY CORRECTION ADMINISTRATION 01**

Community Corrections Administration is includes supervisory staff.

Sub-Program Proposed Budget

The following table summarizes the executive budget proposal for this subprogram by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Exec. Budget Fiscal 06-07
FTE	12.50	0.00	0.00	12.50	0.00	0.00	12.50	12.50
Personal Services	631,691	(3,057)	0	628,634	(1,976)	0	629,715	1,258,349
Operating Expenses	65,962	(706)	0	65,256	(682)	0	65,280	130,536
Total Costs	\$697,653	(\$3,763)	\$0	\$693,890	(\$2,658)	\$0	\$694,995	\$1,388,885
General Fund	697,653	(3,763)	0	693,890	(2,658)	0	694,995	1,388,885
Total Funds	\$697,653	(\$3,763)	\$0	\$693,890	(\$2,658)	\$0	\$694,995	\$1,388,885

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2006-----					-----Fiscal 2007-----					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services				23,135					24,262	
Vacancy Savings				(26,192)					(26,238)	
Inflation/Deflation				(631)					(607)	
Fixed Costs				(75)					(75)	
Total Statewide Present Law Adjustments				(\$3,763)					(\$2,658)	
Grand Total All Present Law Adjustments				(\$3,763)					(\$2,658)	

Sub-Program Details

TREASURE STATE CORRECTIONAL TRAINING 02

The Treasure State Correctional Training Center (TSCTC) is referred to as the adult boot camp. This operation is located on the grounds of the Montana State Prison in Deer Lodge. The facility has a rated capacity of 60 beds. It is expected to average about 56 adult male inmates during the 2007 biennium. The boot camp program is a voluntary program whereby the graduates may receive a reduction in their original sentence.

Sub-Program Proposed Budget

The following table summarizes the executive budget proposal for this subprogram by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Exec. Budget Fiscal 06-07
FTE	26.50	0.00	0.00	26.50	0.00	0.00	26.50	26.50
Personal Services	1,130,214	14,338	0	1,144,552	12,313	0	1,142,527	2,287,079
Operating Expenses	352,625	(1,412)	0	351,213	(1,241)	0	351,384	702,597
Total Costs	\$1,482,839	\$12,926	\$0	\$1,495,765	\$11,072	\$0	\$1,493,911	\$2,989,676
General Fund	1,482,839	12,926	0	1,495,765	11,072	0	1,493,911	2,989,676
Total Funds	\$1,482,839	\$12,926	\$0	\$1,495,765	\$11,072	\$0	\$1,493,911	\$2,989,676

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2006-----					-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				29,762					27,652
Vacancy Savings				(46,400)					(46,315)
Inflation/Deflation				(1,342)					(1,171)
Fixed Costs				(70)					(70)
Total Statewide Present Law Adjustments				(\$18,050)					(\$19,904)
DP 5 - Community Corrections Overtime	0.00	30,976	0	0	30,976	0.00	30,976	0	0
Total Other Present Law Adjustments	0.00	\$30,976	\$0	\$0	\$30,976	0.00	\$30,976	\$0	\$0
Grand Total All Present Law Adjustments				\$12,926					\$11,072

DP 5 - Community Corrections Overtime - The executive requests overtime in the amounts of \$30, 976 in each of FY 2006 and FY 2007. Overtime is zero based funded.

**LFD
ISSUE**

Refer to the summary section of this budget analysis for a discussion of overtime calculated by the Department of Corrections

Sub-Program Details

PRE-RELEASE 03

The department currently contracts with private non-profit prerelease centers located in Butte, Billings, Great Falls, Missoula, and Helena. Prerelease centers provide supervised education, treatment, and work opportunities for offenders. Offenders are required to reside in these centers during their placements. Prerelease operations and their contract capacities are as follows:

- Traditional prerelease beds for adult males in contract facilities: 489
- Traditional prerelease beds for adult women in contract facilities: 110
- Transitional living slots for men and women (inmates do not stay in a contract facility): 65
- Boot camp aftercare beds in Great Falls: 30
- Connections Corrections Program in Butte for chemical dependency inmates: 40

Sub-Program Proposed Budget

The following table summarizes the executive budget proposal for this subprogram by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Exec. Budget Fiscal 06-07
Operating Expenses	10,570,252	1,335,622	0	11,905,874	1,335,622	0	11,905,874	23,811,748
Total Costs	\$10,570,252	\$1,335,622	\$0	\$11,905,874	\$1,335,622	\$0	\$11,905,874	\$23,811,748
General Fund	10,570,252	1,335,622	0	11,905,874	1,335,622	0	11,905,874	23,811,748
Total Funds	\$10,570,252	\$1,335,622	\$0	\$11,905,874	\$1,335,622	\$0	\$11,905,874	\$23,811,748

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2006-----						-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds		FTE	General Fund	State Special	Federal Special	Total Funds
DP 2 - Maintain Community Corrections Programs	0.00	1,335,622	0	0	1,335,622	0.00	1,335,622	0	0	1,335,622
Total Other Present Law Adjustments	0.00	\$1,335,622	\$0	\$0	\$1,335,622	0.00	\$1,335,622	\$0	\$0	\$1,335,622
Grand Total All Present Law Adjustments					\$1,335,622					\$1,335,622

DP 2 - Maintain Community Corrections Programs - The executive request funding for community corrections to fund new beds in both new and existing facilities. The beds are to cover the expected increase in populations.

**LFD
ISSUE**

The new beds or cost adjustment are itemized in the following table:

Figure 9
Community Corrections
Request for New Beds During the 2007 Biennium

Male vs Female	Prerelease Location	Number of Beds	Cost/Bed Day	Executive Budget		
			FY 2006	FY 2006	FY 2007	Biennium
Adult Male	Bozeman- New Location	10	\$68.62	\$250,463	\$250,463	\$500,926
Adult Male	Existing Facilities	20	41.47	302,731	302,731	605,462
Adult Female	Existing Facilities	10	51.44	187,756	187,756	375,512
Adult Male and Female	Transitional Living Slots	30	17.42	190,749	190,749	381,498
Adult Male	Boot Camp After Care	10	45.90	167,535	167,535	335,070
Adult Female	Boot Camp After Care	4	55.06	80,388	80,388	160,775
Adult Male and Female	Special Care (additional cost)	20	20.00	146,000	146,000	292,000
Adult Male and Female	Stipends (*)	0		10,000	10,000	20,000
Totals	(*) Payments to offenders to provide their own lodging	<u>104</u>		<u>\$1,335,622</u>	<u>\$1,335,622</u>	<u>\$2,671,243</u>

The cost of the new facility in Bozeman will be significantly greater at \$68.62 per bed day than existing facilities at \$41.47 per bed day. This high cost is due to the initial lack of economies of scale and because the facility will have treatment services. Once the Bozeman facility can house more offenders, the cost per bed day should be reduced. This facility is in the startup phase and will only be able to provide 10 beds during the 2007 biennium.

The legislature may wish to ask the department to place on hold using the Bozeman facility until it can handle more offenders so that the cost per bed day equal to or less than that of the existing facilities. This action could save between \$7.15 and \$27.15 per bed day, which equates to a total savings of between \$50,000 and \$200,000 in the 2007 biennium.

Sub-Program Details

PROBATION AND PAROLE 04

Probation and Parole supervises nearly 7,000 inmates. The department expects this area to manage between 7,300 and 7,600 offenders during the 2007 biennium.

Sub-Program Proposed Budget

The following table summarizes the executive budget proposal for this subprogram by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Exec. Budget Fiscal 06-07
FTE	166.00	15.00	0.00	181.00	19.00	0.00	185.00	185.00
Personal Services	7,529,232	515,014	0	8,044,246	660,103	0	8,189,335	16,233,581
Operating Expenses	2,298,713	314,371	0	2,613,084	315,930	0	2,614,643	5,227,727
Total Costs	\$9,827,945	\$829,385	\$0	\$10,657,330	\$976,033	\$0	\$10,803,978	\$21,461,308
General Fund	9,524,115	603,213	0	10,127,328	749,861	0	10,273,976	20,401,304
State/Other Special	303,830	226,172	0	530,002	226,172	0	530,002	1,060,004
Total Funds	\$9,827,945	\$829,385	\$0	\$10,657,330	\$976,033	\$0	\$10,803,978	\$21,461,308

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments											
-----Fiscal 2006-----						-----Fiscal 2007-----					
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services					321,896					325,523	
Vacancy Savings					(314,037)					(314,198)	
Inflation/Deflation					(44,018)					(42,819)	
Fixed Costs					(875)					(875)	
Total Statewide Present Law Adjustments					(\$37,034)					(\$32,369)	
DP 1 - Additional Probation & Parole Staff											
	15.00	640,247		0	0	640,247	19.00	782,230	0	0	782,230
DP 13 - Supervision Fee Spending Authority											
	0.00	0	226,172		0	226,172	0.00	0	226,172	0	226,172
Total Other Present Law Adjustments											
	15.00	\$640,247	\$226,172		\$0	\$866,419	19.00	\$782,230	\$226,172	\$0	\$1,008,402
Grand Total All Present Law Adjustments					\$829,385					\$976,033	

DP 1 - Additional Probation & Parole Staff - The executive requests funding for increases in FTE for adult probation and parole to handle increases in caseload. Caseload is expected to increase from an estimated 7,000 offenders in FY 2005 to between 7,300 and 7,600 offenders in the 2007 biennium. The executive requests 15.0 FTE in FY 2006 and 19.0 FTE in FY 2007. These FTE would be in the following positions:

- 14.00 FTE as adult probation and parole officers or intensive supervision officers
- 1.50 FTE as institutional probation and parole officers (in the Montana State Prison)
- 3.50 FTE as administrative staff to support the probation and parole officers

**LFD
ISSUE**

Probation and Parole has 166.00 FTE which is comprised of:

- 6 regional administrators
- 14 probation and parole II officers
- 94 probation and parole officers (request for additional 14.00 FTE)
- 10 institutional probation and parole officers (request for additional 1.50 FTE)
- 15 intensive supervision officers
- 27 administrative support staff (request for additional 3.50 FTE)

The request for new FTE is located to the right of the current FTE count above.

The department states that they currently supervise about 7,000 offenders and of this total about 250 offenders are in the intensive supervision program. Many of the remaining 6,750 offenders are supervised by probation and parole officers, which total 108 (94 officers and 14 officers II). A simple average shows that each of the 108 officers would supervise about 63 offenders.

The department forecasts that that by FY 2007 they will supervise about 7,600 offenders and of this total about 260 would be intensive supervision offenders. The remaining offenders would total 7,340, which is an increase of 340 offenders from the current 7,000. Assuming the new 14 officers would supervise this incremental 340 offenders the simple average would be 24 offenders per new officer. This would be a reduction of 39 offenders per officer from the current average of 63. Alternatively, assuming that all 7,340 offenders were average by the new base of 122 officers the simple average would be 60 offenders per officer, which is down from the current average of 63 offenders per officer.

**LFD
ISSUE CONT.**

The legislature may wish to slow the ramp up of FTE to one-half in each fiscal year. Alternatively the legislature may wish to fund only 8 FTE in the probation and parole area to keep the average offenders per FTE at 63 rather than at the reduced number of 60.

DP 13 - Supervision Fee Spending Authority - The executive is requesting an increase in expenditure authority in the probation and parole supervision fee from \$303,828 to \$530,000, which is an increase of \$226,172. This request also includes \$30,000 of spending authority for the Interstate Compact Unit. The number of offenders that will be in the probation and parole program are expected to increase. Therefore, there would be an increase in collection of the fee. The department is requesting that this additional amount be used for increases in safety and training of probation and parole staff. Montana's Interstate Compact Unit has statutory authority to collect fees from offenders wishing to transfer to other states. The majority of the fees collected would go towards the \$18,000 annual national interstate fee. The remainder of the fees collected would be utilized for interstate staff training and equipment.

**LFD
COMMENT**

Each offender in the probation and parole program pays a supervision fee as per 46-23-1013, MCA. This fee is no less than \$120 per year and no more than \$360 per year. The fee is prorated at \$10 per month for each month that the offender is in the probation and parole program. The fee is used to pay for certain costs related to training programs for probation and parole officers

Sub-Program Details

DUI UNIT 05

The DUI Unit is also referred to as the Warm Springs Addictions Treatment and Change Program (WATCH) Program. The Department of Corrections is under contract with Community, Counseling, and Correctional Services, Inc to treat DUI offenders sentenced to the WATCH Program. Intensive residential alcohol treatment is provided for offenders convicted of a fourth or subsequent driving under the influence offense. The facility has 140 beds for adult men and women offenders.

Sub-Program Proposed Budget

The following table summarizes the executive budget proposal for this subprogram by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Exec. Budget Fiscal 06-07
Operating Expenses	3,172,748	(2)	0	3,172,746	(2)	0	3,172,746	6,345,492
Total Costs	\$3,172,748	(\$2)	\$0	\$3,172,746	(\$2)	\$0	\$3,172,746	\$6,345,492
General Fund	3,172,748	(2)	0	3,172,746	(2)	0	3,172,746	6,345,492
Total Funds	\$3,172,748	(\$2)	\$0	\$3,172,746	(\$2)	\$0	\$3,172,746	\$6,345,492

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
	-----Fiscal 2006-----				-----Fiscal 2007-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Total Funds
Inflation/Deflation					(2)				(2)
Total Statewide Present Law Adjustments					(\$2)				(\$2)
Grand Total All Present Law Adjustments					(\$2)				(\$2)

Program Proposed Budget

The following table summarizes the executive budget proposal for this program by year, type of expenditure, and source of funding.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Exec. Budget Fiscal 06-07
FTE	578.45	(4.30)	0.00	574.15	(4.30)	0.00	574.15	574.15
Personal Services	24,796,692	478,782	0	25,275,474	480,481	0	25,277,173	50,552,647
Operating Expenses	28,157,335	4,372,141	0	32,529,476	9,074,124	0	37,231,459	69,760,935
Equipment	181,377	0	0	181,377	0	0	181,377	362,754
Capital Outlay	0	0	0	0	0	0	0	0
Debt Service	75,337	0	0	75,337	0	0	75,337	150,674
Total Costs	\$53,210,741	\$4,850,923	\$0	\$58,061,664	\$9,554,605	\$0	\$62,765,346	\$120,827,010
General Fund	51,971,390	4,757,339	0	56,728,729	9,461,021	0	61,432,411	118,161,140
State/Other Special	1,239,351	0	0	1,239,351	0	0	1,239,351	2,478,702
Federal Special	0	93,584	0	93,584	93,584	0	93,584	187,168
Total Funds	\$53,210,741	\$4,850,923	\$0	\$58,061,664	\$9,554,605	\$0	\$62,765,346	\$120,827,010

Program Description

The Secure Facilities Program includes the Montana State Prison for adult men, Montana Women's Prison, and contract bed facilities for adult offenders which include: Glendive Regional Prison, Cascade Regional Prison, Missoula Assessment and Sanction Center, and the Crossroads Regional Prison in Shelby.

Program Highlights

Department of Corrections Secure Facilities Program Major Budget Highlights
<ul style="list-style-type: none"> The general fund increases by \$14.2 million for the 2007 biennium over the base budget primarily due to: <ul style="list-style-type: none"> Additional contract beds for \$13.1 million Overtime request at \$1.4 million Reduction of 4.30 FTE for the statewide FTE reduction as recommended by the Governor
Major LFD Issues
<ul style="list-style-type: none"> Overtime may be understated Use of \$7.1 million in prepayments for the purchase of the Shelby facility for other state purposes

Funding

The following table shows program funding, by source, for the base year and for the 2007 biennium as recommended by the Governor.

Program Funding Table						
Secure Custody Facilities						
Program Funding	Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
01100 General Fund	\$51,971,390	97.7%	\$ 56,728,729	97.7%	\$ 61,432,411	97.9%
02339 Inmate Welfare/Inmate Pay	100,000	0.2%	100,000	0.2%	100,000	0.2%
02917 Msp Canteen Revolving Acct	1,139,351	2.1%	1,139,351	2.0%	1,139,351	1.8%
03315 Misc Federal Grants	-	-	93,584	0.2%	93,584	0.1%
Grand Total	<u>\$53,210,741</u>	<u>100.0%</u>	<u>\$ 58,061,664</u>	<u>100.0%</u>	<u>\$ 62,765,346</u>	<u>100.0%</u>

This program is funded primarily with general fund and has a minor amount of state special revenue and federal special funds. State special revenue funds are for inmate pay and the Montana State Prison canteen operations, federal funds are education funds received via a pass through grant from the Office of Public Instruction.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2006-----					-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				607,071					608,869
Vacancy Savings				(1,016,140)					(1,016,239)
Inflation/Deflation				59,511					45,689
Fixed Costs				(248)					(248)
Total Statewide Present Law Adjustments				(\$349,806)					(\$361,929)
DP 6 - Secure Custody Overtime	0.00	824,255	0	824,255	0.00	824,255	0	0	824,255
DP 7 - MSP Inmate Pay	0.00	182,938	100,000	282,938	0.00	182,938	100,000	0	282,938
DP 11 - MSP - Federal Authority	0.00	0	0	93,584	0.00	0	0	93,584	93,584
DP 16 - Contract Bed Per Diem Rate Increase	0.00	4,219,294	0	4,219,294	0.00	8,935,099	0	0	8,935,099
DP 17 - Statewide FTE Reduction	(4.30)	(219,342)	0	(219,342)	(4.30)	(219,342)	0	0	(219,342)
Total Other Present Law Adjustments	(4.30)	\$5,007,145	\$100,000	\$93,584	(4.30)	\$9,722,950	\$100,000	\$93,584	\$9,916,534
Grand Total All Present Law Adjustments				\$4,850,923					\$9,554,605

Each of these present law adjustments will be discussed in the sub-program sections that follow.

Sub-Program Details

MONTANA STATE PRISON 01

The Montana State Prison, located in Deer Lodge, is a secure custody facility for adult males. This facility had an average daily population of 1,325 in fiscal 2004. The facility has an operational capacity of 1,407 beds.

Sub-Program Proposed Budget

The following table summarizes the executive budget proposal for this subprogram by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Exec. Budget Fiscal 06-07
FTE	503.18	(4.30)	0.00	498.88	(4.30)	0.00	498.88	498.88
Personal Services	21,718,952	405,925	0	22,124,877	408,862	0	22,127,814	44,252,691
Operating Expenses	9,018,406	142,080	0	9,160,486	130,712	0	9,149,118	18,309,604
Equipment	181,377	0	0	181,377	0	0	181,377	362,754
Debt Service	75,337	0	0	75,337	0	0	75,337	150,674
Total Costs	\$30,994,072	\$548,005	\$0	\$31,542,077	\$539,574	\$0	\$31,533,646	\$63,075,723
General Fund	29,754,721	454,421	0	30,209,142	445,990	0	30,200,711	60,409,853
State/Other Special	1,239,351	0	0	1,239,351	0	0	1,239,351	2,478,702
Federal Special	0	93,584	0	93,584	93,584	0	93,584	187,168
Total Funds	\$30,994,072	\$548,005	\$0	\$31,542,077	\$539,574	\$0	\$31,533,646	\$63,075,723

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2006-----						-----Fiscal 2007-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					536,658					539,733
Vacancy Savings					(890,219)					(890,357)
Inflation/Deflation					48,744					37,376
Fixed Costs					(248)					(248)
Total Statewide Present Law Adjustments					(\$305,065)	(\$313,496)				
DP 6 - Secure Custody Overtime	0.00	695,890	0	0	695,890	0.00	695,890	0	0	695,890
DP 7 - MSP Inmate Pay	0.00	182,938	100,000	0	282,938	0.00	182,938	100,000	0	282,938
DP 11 - MSP - Federal Authority	0.00	0	0	93,584	93,584	0.00	0	0	93,584	93,584
DP 17 - Statewide FTE Reduction	(4.30)	(219,342)	0	0	(219,342)	(4.30)	(219,342)	0	0	(219,342)
Total Other Present Law Adjustments										
	(4.30)	\$659,486	\$100,000	\$93,584	\$853,070	(4.30)	\$659,486	\$100,000	\$93,584	\$853,070
Grand Total All Present Law Adjustments					\$548,005	\$539,574				

DP 6 - Secure Custody Overtime - The executive is requesting an appropriation for overtime for personal. Overtime is zero based funded, and all amounts that are removed from the base must be requested in full each biennium. The prison is operational 24 hours per day and 365 days per year and overtime is used to maintain required staff coverage.

**LFD
ISSUE**

Refer to the summary section of this budget analysis for a discussion on overtime calculated by the Department of Corrections.

DP 7 - MSP Inmate Pay - The executive requests state special revenue and general fund authority for inmate wages. Funds for inmate wages is a zero based request. Education, vocational training, and inmate jobs are used for meaningful time occupation, increased self-esteem, and purchasing power for essentials and restitution for the inmates. Currently there are 802 inmates earning between \$1.25 and \$6.30 per day.

DP 11 - MSP - Federal Authority - Montana State Prison receives federal funding yearly from the Office of Public Instruction for the Montana State Prison Adult Basic Literacy Education grant and Title I.

DP 17 - Statewide FTE Reduction - The executive is requesting a reduction of 4.30 FTE as part of a statewide FTE reduction to make personal services reductions enacted by the 2003 legislative permanent.

Sub-Program Details

MONTANA WOMENS PRISON 02

The Montana Women's Prison, located in Billings, is an adult female secure facility. This facility had an average daily population of 177 in FY 2004. The facility has an operational capacity of 209 beds.

Sub-Program Proposed Budget

The following table summarizes the executive budget proposal for this subprogram by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Exec. Budget Fiscal 06-07
FTE	66.27	0.00	0.00	66.27	0.00	0.00	66.27	66.27
Personal Services	2,628,625	76,409	0	2,705,034	75,462	0	2,704,087	5,409,121
Operating Expenses	1,683,364	11,259	0	1,694,623	8,786	0	1,692,150	3,386,773
Total Costs	\$4,311,989	\$87,668	\$0	\$4,399,657	\$84,248	\$0	\$4,396,237	\$8,795,894
General Fund	4,311,989	87,668	0	4,399,657	84,248	0	4,396,237	8,795,894
Total Funds	\$4,311,989	\$87,668	\$0	\$4,399,657	\$84,248	\$0	\$4,396,237	\$8,795,894

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2006-----					-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				55,399					54,427
Vacancy Savings				(107,355)					(107,330)
Inflation/Deflation				11,259					8,786
Total Statewide Present Law Adjustments				(\$40,697)					(\$44,117)
DP 6 - Secure Custody Overtime	0.00	128,365	0	0	128,365	0.00	128,365	0	0
Total Other Present Law Adjustments	0.00	\$128,365	\$0	\$0	\$128,365	0.00	\$128,365	\$0	\$0
Grand Total All Present Law Adjustments				\$87,668					\$84,248

DP 6 - Program 3 Overtime - The executive is requesting an appropriation for overtime and overtimes used to maintain required coverage. Overtime is zero based funded. The prison is operational 24 hours per day and 365 days per year.

**LFD
ISSUE**

Refer to the summary section of this budget analysis for a discussion on overtime calculated by the Department of Corrections.

Sub-Program Details

CONTRACTED BEDS 04

The contract beds budget represents those expenditures directly related to housing Montana inmates outside of the state-operated correctional institutions.

LFD COMMENT

The non-state operated facilities are:

- Dawson County Regional Prison (adult men)
 - Average daily population of 140 during FY 2004
 - Operational capacity of 141 beds
- Cascade Regional Prison (adult men)
 - Average daily population of 149 during FY 2004
 - Operational capacity of 149 beds
- Missoula Assessment and Sanction Center (adult men)
 - Average daily population of 131 during FY 2004
 - Operational capacity of 141 beds
- Crossroads Regional prison in Shelby (adult men)
 - Average daily population of 391 during FY 2004
 - Operational capacity of 475 beds
- County jails located in 39 counties (adult men and women)
 - Average daily population of 133 during FY 2004
 - Operational capacity: N/A.

Note: There are three levels of “capacity” defined by the Department of Corrections. Rated capacity, operational capacity, and emergency capacity. Please refer to the summary section of this budget analysis for the definition of each level. Operational capacity is the maximum facility population at which daily operations and programs can be conducted safely and efficiently. This capacity level assumes some double bunking of inmates.

Sub-Program Proposed Budget

The following table summarizes the executive budget proposal for this subprogram by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Exec. Budget Fiscal 06-07
FTE	9.00	0.00	0.00	9.00	0.00	0.00	9.00	9.00
Personal Services	449,115	(3,552)	0	445,563	(3,843)	0	445,272	890,835
Operating Expenses	17,455,565	4,218,802	0	21,674,367	8,934,626	0	26,390,191	48,064,558
Total Costs	\$17,904,680	\$4,215,250	\$0	\$22,119,930	\$8,930,783	\$0	\$26,835,463	\$48,955,393
General Fund	17,904,680	4,215,250	0	22,119,930	8,930,783	0	26,835,463	48,955,393
Total Funds	\$17,904,680	\$4,215,250	\$0	\$22,119,930	\$8,930,783	\$0	\$26,835,463	\$48,955,393

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2006-----						-----Fiscal 2007-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					15,014					14,709
Vacancy Savings					(18,566)					(18,552)
Inflation/Deflation					(492)					(473)
Total Statewide Present Law Adjustments					(\$4,044)					(\$4,316)
DP 16 - Contract Bed Per Diem Rate Increase										
	0.00	4,219,294	0	0	4,219,294	0.00	8,935,099	0	0	8,935,099
Total Other Present Law Adjustments										
	0.00	\$4,219,294	\$0	\$0	\$4,219,294	0.00	\$8,935,099	\$0	\$0	\$8,935,099
Grand Total All Present Law Adjustments					\$4,215,250					\$8,930,783

DP 16 - Contract Bed Per Diem Rate Increase - The executive is requesting an increase of \$4,219,294 in FY 2006 and \$8,935,099 in FY 2007 for contract facility payments based on a 5.62 percent adult male population increase.

LFD ISSUE

The figure below provides an estimate of the number of contract beds required by the Department of Corrections for FY 2006 and FY 2007. Although the average daily population in the secure facilities is growing by about 4.4 percent per year, contract beds grow by 13.6 percent in FY 2006 and by 21.5 percent in FY 2007. This is because the department believes that secure facilities owned by the state have reached their maximum capacity. Therefore, the department must use non-state owned facilities.

Figure 10
Department of Corrections - Secure Facilities
Estimated Cost and the Number of Contract Beds for the 2007 Biennium

	FY 2006			FY 2007		
	No. of	Cost per	Total	No. of	Cost per	Total
Dawson Regional Prison	144	\$46.67	\$2,452,975	144	\$46.67	\$2,452,975
Cascade Regional Prison	150	47.47	2,598,983	150	46.67	2,555,183
Missoula Assessment and Sanction Center	144	43.88	2,306,333	144	43.88	2,306,333
Crossroads Correctional Prison	550	52.74	10,587,555	700	52.74	13,475,070
County Jails	173	53.00	3,346,685	274	53.00	5,300,530
Totals	1,161		\$21,292,531	1,412		\$26,090,091
Amount in the Base			\$17,154,992			\$17,154,992
Total Cost per Fiscal Year			\$4,137,539			\$8,935,099

The figure below provides a configuration of how the department would contract for these additional beds. The department's estimated number of contract beds for FY 2006 and FY 2007 are 1,161 and 1,411, respectively. The department assumes that the only facility that would be expanded would be the Crossroads Correctional Prison in Shelby.

**LFD
ISSUE CONT.**

Figure 11
Department of Corrections - Secure Facilities
Adult Male Population Placement

	FY 2004 Actual	FY 2005 Estimated	FY 2006 Forecast	FY 2007 Forecast
Montana State Prison	1,325	1,380	1,380	1,380
Crossroads Facility - Shelby	391	420	550	700
Dawson Regional Prison	144	144	144	144
Cascade Regional Prison	150	150	150	150
Missoula Assessment and Sanction Center	144	144	144	144

Options for the legislature:

- 1) Direct that the department present to the legislature the results of its analysis that brought them to the conclusion to expand the Crossroads facility including a review of the potential expansion of other regional prisons that are currently lower in cost than the Crossroads facility.
- 2) Request that the department study an expansion of the Montana State Prison, which is projected to have an average cost per bed day in FY 2007 of \$63.00. Can an expansion reduce the overall cost per bed day?
- 3) Study an expansion that includes a smaller expansion of Crossroad, an expansion of MSP, and an expansion of the regional prisons.
- 4) Is there a possibility of developing another regional prison in a county that may be looking to expand their jail facility to provide expansion for both entities? Can the state share the costs with a county to build jointly?

**LFD
ISSUE**

The Crossroads Correctional Facility, located in Shelby, Montana, is owned and operated by the Corrections Corporation of America (CCA). CCA is a publicly traded company that is in the business of owning, operating, and managing prisons. The State of Montana and the Department of Corrections have two contracts with CCA for the use and operation of the Shelby facility. These contracts are as follows:

Contract For Facility Development – Design, Build (Signed in July of 1998)

This contract sets forth the design standards for the facility, lists penalties levied to CCA for late completion of the construction of the facility, sets the duration of the initial contract period at 20 years with (2) 5-year extensions, sets forth who may use the facility, and explains how the Department of Corrections may purchase the facility.

Contract for Operations and Management Services (Signed in September of 1998)

This contract defines how CCA is to operate the facility and manage the inmate population. It lists those services that are the responsibility of CCA and defines how much the department will pay for these services. This contract is for an initial term of 4 years and has (8) 2-year extensions.

One major misconception is that the state leases the Shelby facility. The department does not lease this facility. However, the department does pay CCA \$9.14 per inmate day as per the Contract For Facility Development – Design, Build. If the department elects to purchase the facility, the present value of these payments would be deducted from any purchase price paid to CCA. Also if another party pays CCA to house offenders (like the federal government) this party also pays CCA the \$9.14 fee. This fee accrues to the department's benefit and can be used towards the purchase price of the facility.

**LFD
ISSUE CONT.**

There is also a per diem charge per prisoner day paid to CCA as per the Contract for Operations and Management Services. This rate is currently \$43.60 per inmate day, which is set to expire on June 30, 2005. The rate after that date is to be set by negotiations of the parties.

As mentioned earlier, the department has the contract right to purchase the facility. Section II (H) of the Contract For Facility Development – Design, Build allows the department to purchase the facility at any time for its fair market value less the present value of the sum of all \$9.14 per inmate days paid to CCA by either the department or by another party using the facility. This formula is defined as the “Purchase Price.”

**LFD
ISSUE**

One unusual item of interest in the contract is that if the department does not elect to purchase the facility, there does not appear to be a refunding mechanism to the department by CCA of the sum of the \$9.14 per inmate days paid to CCA plus interest. The department’s records indicate that CCA has been paid approximately \$6.8 million in these fees from September of 1999 through October of 2004. The federal government has also paid CCA about \$275,000 in these fees. The total accrued to the department’s benefit to date is about \$7.1 million.

In summary, the department has paid \$6.8 million to date for the purchase of a facility that they may not want in the future with no apparent possibility for a refund. The department already has the ability to buy the facility at any time.

Options for the Legislature:

- 1) If there is no immediate intent by the department to purchase the Shelby facility, then is it possible to have the prepaid purchase price refunded to the state with interest? The legislature may direct the department to investigate this resolution with CCA
- 2) The legislature may direct the department to have this prepaid amount be set towards future per diem payments at the current facility
- 3) The legislature may direct that the department negotiate in future rate discussions with CCA for the expansion of the Shelby facility, to exclude the \$9.14 per bed day charge

Proprietary Rates**Proprietary Program Description**

The food factory program was established to provide cost effective nutritional meals to the Montana State Prison and other state and county agencies, using a cook-chill method of food preparation. The cook-chill method allows food to be prepared a week in advance and packaged in bulk or individual trays

Proprietary Revenues and Expenses

The food factory derives its revenues from the sale of bulk food and tray based meals to customers. Currently the customers who are serviced by the food factory include: Montana State Prison, Montana State Hospital, Treasure State Correctional Training Center, Riverside Youth Correctional Facility, WATCH DUI unit, and the Helena Pre Release Center. Overall revenue levels are dependant on the average daily populations of the customer's facilities, which directly influence food requirements. Expenditures are based on operational need, cash flow, customer orders, product inventory levels, and product pricing.

Food Factory Rates

The food factory currently has two rate structures, one for customers that purchase only bulk food products and another for customers that purchase a complete tray based meal. Bulk food customers are charged the actual cost of food with a 3 percent increase for spoilage. In addition, they are charged a monthly overhead, which is a flat fee established using historical costs. The per meal tray based customer rates include the cost of delivery. The rates for the 2007 biennium are as follows:

- Montana State Prison \$1.37
- Riverside Youth Correctional Facility \$2.01
- WATCH DUI Unit \$1.59
- Helena Prerelease \$2.01

2007 Biennium Report on Internal Service and Enterprise Funds 2007

Fund	Fund Name	Agency #	Agency Name	Program Name		
6573	MSP institutional Cook Chill	64010	Dept. of Corrections	Secure Custody Facilities		
					Actual FY02	Actual FY03
					Actual FY04	Budgeted FY05
					Budgeted FY06	Budgeted FY07
Operating Revenues:						
Fee revenue						
Food Product Sales					-	-
Revenue from Fee B					-	-
Revenue from Fee C					-	-
Revenue from Fee D					-	-
Revenue from Fee E					-	-
Revenue from Fee F					-	-
Net Fee Revenue					2,048,467	2,260,602
Investment Earnings					-	-
Securities Lending Income					-	-
Premiums					-	-
Other Operating Revenues					-	-
Total Operating Revenue					2,048,467	2,260,602
Operating Expenses:						
Personal Services					715,330	701,265
Other Operating Expenses					1,430,470	1,606,078
Total Operating Expenses					2,145,800	2,307,343
Operating Income (Loss)					(97,333)	(46,741)
Nonoperating Revenues (Expenses):						
Gain (Loss) Sale of Fixed Assets					-	-
Federal Indirect Cost Recoveries					-	-
Other Nonoperating Revenues (Expenses)					-	-
Net Nonoperating Revenues (Expenses)					-	-
Income (Loss) Before Operating Transfers					(97,333)	(46,741)
Contributed Capital					-	-
Operating Transfers In (Note 13)					18,363	-
Operating Transfers Out (Note 13)					-	-
Change in net assets					(78,970)	(46,741)
Total Net Assets- July 1 - As Restated					-	3,756,251
Prior Period Adjustments					-	-
Cumulative effect of account change					-	-
Total Net Assets - July 1 - As Restated					-	3,756,251
Net Assets- June 30					(78,970)	3,709,510
60 days of expenses (Total Operating Expenses divided by 6)					357,633	384,557

Program Proposed Budget

The following table summarizes the executive budget proposal for this program by year, type of expenditure, and source of funding.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Exec. Budget Fiscal 06-07
FTE	14.25	0.00	0.00	14.25	0.00	0.00	14.25	14.25
Personal Services	703,440	65,129	0	768,569	64,598	0	768,038	1,536,607
Operating Expenses	1,020,217	3,876,362	0	4,896,579	627,200	0	1,647,417	6,543,996
Debt Service	216,708	0	0	216,708	(108,354)	0	108,354	325,062
Total Costs	\$1,940,365	\$3,941,491	\$0	\$5,881,856	\$583,444	\$0	\$2,523,809	\$8,405,665
General Fund	1,572,197	3,878,141	0	5,450,338	520,078	0	2,092,275	7,542,613
Federal Special	0	0	0	0	0	0	0	0
Proprietary	368,168	63,350	0	431,518	63,366	0	431,534	863,052
Total Funds	\$1,940,365	\$3,941,491	\$0	\$5,881,856	\$583,444	\$0	\$2,523,809	\$8,405,665

Program Description

The Montana Correctional Enterprises (MCE) Division includes the ranch, industries, dairy, license plate, and vocational education programs at the Montana State Prison facility. MCE does not currently have active programs at the Montana Women's Prison or regional and private facilities, although staff are continually researching ideas for programs in these areas. MCE programs provide work and vocational education training opportunities to approximately three hundred inmates. In addition MCE administration oversees accounting and budgeting for the Montana State Prison Food Factory and Montana Women's Prison Dog Training programs.

Program Highlights

Department of Corrections Montana Correctional Enterprises Major Budget Highlights	
<ul style="list-style-type: none"> The increase of \$4.5 million or 225.0 percent in operating costs for the 2007 biennium over the base budget is mostly for the production of new license plates to support the January 1, 2006 reissue program 	
Major LFD Issues	
<ul style="list-style-type: none"> A funding switch to move license plate manufacturing from general fund to proprietary funds 	

Funding

The following table shows program funding, by source, for the base year and for the 2007 biennium as recommended by the Governor.

Program Funding Table Mont Correctional Enterprises						
Program Funding	Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
01100 General Fund	\$ 1,572,197	81.0%	\$ 5,450,338	92.7%	\$ 2,092,275	82.9%
06545 Prison Indust. Training Prog	<u>368,168</u>	<u>19.0%</u>	<u>431,518</u>	<u>7.3%</u>	<u>431,534</u>	<u>17.1%</u>
Grand Total	<u>\$ 1,940,365</u>	<u>100.0%</u>	<u>\$ 5,881,856</u>	<u>100.0%</u>	<u>\$ 2,523,809</u>	<u>100.0%</u>

This program is funded primarily with general fund and with proprietary funds from the ranch and industries programs. Proprietary funds are generated from the sale of cattle, dairy products, refined lumber, and furniture.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2006-----					-----Fiscal 2007-----					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services				(13,222)					(13,776)	
Vacancy Savings				(27,608)					(27,585)	
Inflation/Deflation				2,170					1,568	
Total Statewide Present Law Adjustments				(\$38,660)					(\$39,793)	
DP 3 - License Plate Re-Issue	0.00	3,853,751	0	0	3,853,751	0.00	496,837	0	0	496,837
DP 8 - Vocational Education Inmate Payroll	0.00	40,000	0	0	76,400 *	0.00	40,000	0	0	76,400 *
DP 9 - Vocational Education Additional Authority for ISF	0.00	0	0	0	50,000 *	0.00	0	0	0	50,000 *
Total Other Present Law Adjustments	0.00	\$3,893,751	\$0	\$0	\$3,980,151 *	0.00	\$536,837	\$0	\$0	\$623,237 *
Grand Total All Present Law Adjustments				\$3,941,491 *						\$583,444 *

DP 3 - License Plate Re-Issue - The executive is requesting general fund to pay for the production of license plates. Section 61-3-332, MCA requires that new license plates be issued January 1, 2006. The amount requested is based on the production of 2,700,000 plates (1,350,000 sets) in FY 2006 and 735,000 plates (367,500 sets) in FY 2007. The personal services portion of this request includes inmate payroll of \$19,760 and anticipated overtime of \$9,799 for 2.0 FTE. Figure 12 shows the projected production and costs schedule for the License Plate Factory.

Figure 12

Department of Corrections - Montana Correctional Enterprises
License Plate Factory - Projected Production and Cost Schedule

	"Reissue Year"			"Regular Year"		
	FY 2006 Yearly Cost	FY 2004 Base Budget	Difference	FY 2007 Yearly Cost	FY 2004 Base Budget	Difference
Number of Projected Plates to be Produced	2,700,000			775,000		
Number of Projected Sets of Plates	1,350,000			387,500		
Civilian Salaries	\$102,081	\$92,282	\$9,799	\$102,081	\$92,282	\$9,799
Inmate pay	19,760	0	19,760	19,760	0	19,760
Personal Services	\$121,841	\$92,282	\$29,559	\$121,841	\$92,282	\$29,559
Print Heads	371,250	0	371,250	101,063	0	101,063
Sheeting, Ribbons, clear laminate	2,850,790	0	2,850,790	776,048	0	776,048
Inventory carryover and waste factor	96,661	0	96,661	43,856	0	43,856
Aluminum costs	1,093,500	0	1,093,500	297,675	0	297,675
Miscellaneous supplies	70,000	0	70,000	15,000	0	15,000
Total Supplies and Materials	\$4,482,201	\$662,294	\$3,819,907	\$1,233,642	\$662,294	\$571,348
Other Services	\$6,000	\$5,367	\$633	\$6,000	\$5,367	\$633
Communication	75	74	1	75	74	1
Travel	500	446	54	500	446	54
Utilities	8,000	4,751	3,249	8,000	4,751	3,249
Repair and maintenance	16,500	16,245	255	16,500	16,245	255
Other Expenses	15,000	14,908	92	15,000	14,908	92
DLP Lease	<u>\$216,708</u>	<u>\$216,708</u>	<u>\$0</u>	<u>\$108,354</u>	<u>\$216,708</u>	<u>(\$108,354)</u>
Total Other	\$262,784	\$258,499	\$4,285	\$154,429	\$258,499	(\$104,070)
Grand Total	\$4,866,826	\$1,013,075	\$3,853,751	\$1,509,912	\$1,013,075	\$496,837

**LFD
ISSUE**

The legislature may wish to make this funding "one-time-only" and restricted.

**LFD
ISSUE**

The MCE license plate factory produces plates based upon a schedule provided by the Department of Motor Vehicles (DMV). DMV estimates the number of vehicles that it will license and re-license for each fiscal year. If the DMV changes the number of plates it needs, then the factory must adjust its production schedule. If the actual number of plates required by the DMV is greater in any fiscal year or for the biennium, then MCE must find general fund from some other source to support the production of the plates. The legislature may wish to switch the funding for this program from general fund to proprietary fund. Additionally, the legislature may wish to have the DMV budget for and pay for the production of the plates. This process would take the general fund pressure off of the factory, which is just a producer and place it on the customer (DMV).

The re-issue of plates beginning January 1, 2006 is expected to create approximately \$3 million in new revenues in each year of the biennium.

	<u>FY 2006</u>	<u>FY 2007</u>	<u>Totals</u>
Total expected revenue	\$3,000,000	\$3,000,000	\$6,000,000
Cost of producing the plates	3,853,751	496,837	4,350,588
Cost of Delivering the plates	192,470	0	192,470
Net Revenue	<u>\$(1,046,221)</u>	<u>\$2,503,163</u>	<u>\$1,456,942</u>

DP 8 - Vocational Education Inmate Payroll - The executive requests general fund of \$40,000 in each fiscal year for vocational education internal service inmate payroll. This general fund of \$40,000 is combined with proprietary funds of \$34,000 for total funds of \$76,400 in each fiscal year. This funding request is based upon:

- The internal service inmate payroll is used for inmates in the motor vehicle maintenance and Toyota project shops. The estimate is based on 35 inmates working 2,080 hours at \$.50 per hour for a total of \$36,400.
- The vocational education general fund inmate payroll is based on 69 students and 10 clerks. The student payroll includes students who attend at least two classes on either the high or low side of the prison compound. Student numbers have increased with the start of a new class for reintegration, which is taught on the high side of the prison compound.
 - The students average \$1.65 per day for five days per week for 52 weeks per year. This amount totals \$29,600.
 - The 10 clerks are paid an average of \$0.50 per hour for 2,080 hours for a total of \$10,400.

DP 9 - Vocational Education Additional Authority for ISF - The executive is requesting additional authority in operating expenditures to cover increases in the cost of parts and supplies needed in the motor vehicle maintenance production shop. This shop services vehicles and equipment for the Montana State Prison, Montana Correctional Enterprise Ranch and Industries, and various state agencies. This request is for spending authority only, and will be used only if needed and cash is available.

Proprietary Rates

Proprietary Program Description

The Montana Correctional Enterprises (MCE) Industry program includes furniture, upholstery, print, sign, and laundry operations at the Montana State Prison facility. At the current time there are not any programs operating at the Montana Women's Prison or regional and private facilities. The MCE Ranch and Dairy operation includes range cattle, crops, feedlot, land management, dairy milking parlor, dairy processing, heifer reproduction, lumber processing, and the Montana Food Bank Cannery, which are all located at the Montana State Prison facility. The MCE Vocational Education program operates a motor vehicle maintenance shop and Toyota cutaway operation.

Proprietary Revenues and Expenses

MCE revenues are derived from product sales to state, county, and private customers. Operational needs, cash flow, economic return, customer orders, and product inventory levels determine the expenses. Overall revenue levels are dependant on marketing efforts, legislative restrictions, state agency purchases, retail outlet dealer sales, expansion and adjustment of the product line, private sector complaints, and private customer contracts. In addition, revenues from the industries laundry are dependant on the daily populations of Montana State Hospital and Montana State Prison, as the bulk of the processed laundry is from these two facilities.

MCE ranch and dairy revenues are based on the market value of products sold. Revenues can vary depending on the current market for range cattle and raw milk. Expenditures are dependant on operational needs, cash flow, economic return, weather conditions, product market prices, and discussion with the Ranch Advisory Committee.

MCE vocational education motor vehicle maintenance (MVM) revenues are based on customer vehicle and equipment repair and maintenance needs. Toyota revenues are based on contracts with the Toyota Company for producing motor vehicle cut-always and trainers. The main customers for the MVM operation are the MCE ranch and the Montana State Prison. Revenues, and the need for parts and supplies for the repairs, and contract projects determine the expenditure levels.

Proprietary Rate Explanation

The MCE Industries rates for furniture, upholstery, print and sign shops are based on competitive product pricing.

The current laundry rates are as follows:

Montana State Prison	\$.39 per pound
Treasure State Correctional Training Center	\$.39 per pound

Montana State Hospital	\$.38 per pound
Montana Developmental Center	\$.46 per pound
Riverside Youth Correctional Facility	\$.46 per pound

The break even cost for laundry operations is approximately \$.35 per pound without delivery costs. Any profit is maintained within the industries fund to be used for future laundry equipment replacement, as well as the overall industries enterprise operation.

MCE ranch and dairy rates are based on the current market prices of cattle, crops and dairy products. Lumber processing rates are based on current market value of the service performed.

Montana Food Bank Cannery is not based on a rate, but the actual cost of expenses incurred. MCE vocational education motor vehicle maintenance (MVM) and Toyota pricing are based on the cost of parts and an hourly labor charged. The labor charge covers the cost of the four FTE associated with the MVM and Toyota operations.

2007 Biennium Report on Internal Service and Enterprise Funds 2007								
Fund	Fund Name	Agency #	Agency Name	Program Name				
6033	Prison Ranch	64010	Dept. of Corrections	Mont Correctional Enterprises				
			Actual FY02	Actual FY03	Actual FY04	Budgeted FY05	Budgeted FY06	Budgeted FY07
Operating Revenues:								
Fee revenue								
Sales of Products			-	-	-	3,050,000	2,900,000	2,900,000
MFBN Cannery Service Revenues			-	-	-	130,000	130,000	130,000
Revenue from Fee C			-	-	-	-	-	-
Revenue from Fee D			-	-	-	-	-	-
Revenue from Fee E			-	-	-	-	-	-
Revenue from Fee F			-	-	-	-	-	-
Net Fee Revenue			2,694,305	2,493,245	3,570,698	3,180,000	3,030,000	3,030,000
Investment Earnings			-	-	-	-	-	-
Securities Lending Income			-	-	-	-	-	-
Premiums			-	-	-	-	-	-
Other Operating Revenues			-	5,950	5,492	14,200	18,400	18,400
Total Operating Revenue			2,694,305	2,499,195	3,576,190	3,194,200	3,048,400	3,048,400
Operating Expenses:								
Personal Services			1,017,836	1,212,298	1,019,440	975,000	962,973	963,512
Other Operating Expenses			1,655,157	1,831,387	1,950,324	2,043,967	1,894,968	1,893,875
Total Operating Expenses			2,672,993	3,043,685	2,969,764	3,018,967	2,857,941	2,857,387
Operating Income (Loss)			21,312	(544,490)	606,426	175,233	190,459	191,013
Nonoperating Revenues (Expenses):								
Gain (Loss) Sale of Fixed Assets			7,571	-	-	-	-	-
Federal Indirect Cost Recoveries			-	-	-	-	-	-
Other Nonoperating Revenues (Expenses)			(68,349)	318,223	378,459	-	-	-
Net Nonoperating Revenues (Expenses)			(60,778)	318,223	378,459	-	-	-
Income (Loss) Before Operating Transfers			(39,466)	(226,267)	984,885	175,233	190,459	191,013
Contributed Capital			-	141,255	-	-	-	-
Operating Transfers In (Note 13)			-	-	-	-	-	-
Operating Transfers Out (Note 13)			-	-	(30,004)	-	-	-
Change in net assets			(39,466)	(85,012)	954,881	175,233	190,459	191,013
Total Net Assets- July 1 - As Restated			8,196,380	9,248,656	8,725,802	9,680,683	9,855,916	10,046,375
Prior Period Adjustments			1,070,787	(437,842)	-	-	-	-
Cumulative effect of account change			20,955	-	-	-	-	-
Total Net Assets - July 1 - As Restated			9,288,122	8,810,814	8,725,802	9,680,683	9,855,916	10,046,375
Net Assets- June 30			9,248,656	8,725,802	9,680,683	9,855,916	10,046,375	10,237,388
60 days of expenses								
(Total Operating Expenses divided by 6)			445,499	507,281	494,961	503,161	476,324	476,231

2007 Biennium Report on Internal Service and Enterprise Funds 2007

Fund	Fund Name	Agency #	Agency Name	Program Name		
6034	MSP Institutional Industries	64010	Dept. of Corrections	Mont Correctional Enterprises		

	Actual FY02	Actual FY03	Actual FY04	Budgeted FY05	Budgeted FY06	Budgeted FY07
g Revenues:						
ue						
Industries Products	-	-	-	2,300,000	2,300,000	2,300,000
ue from Fee B	-	-	-	-	-	-
ue from Fee C	-	-	-	-	-	-
ue from Fee D	-	-	-	-	-	-
ue from Fee E	-	-	-	-	-	-
ue from Fee F	-	-	-	-	-	-
Net Fee Revenue	2,528,509	1,871,406	1,564,315	2,300,000	2,300,000	2,300,000
ent Earnings	-	-	-	-	-	-
g Lending Income	-	-	-	-	-	-
s	-	-	-	-	-	-
erating Revenues	-	-	-	-	-	-
Total Operating Revenue	2,528,509	1,871,406	1,564,315	2,300,000	2,300,000	2,300,000
g Expenses:						
Services	1,444,594	903,565	829,136	1,100,000	1,245,826	1,244,829
erating Expenses	902,253	886,470	793,600	1,041,331	915,736	914,087
Operating Expenses	2,346,847	1,790,035	1,622,736	2,141,331	2,161,562	2,158,916
Income (Loss)	181,662	81,371	(58,421)	158,669	138,438	141,084
ating Revenues (Expenses):						
s) Sale of Fixed Assets	(8,257)	-	-	-	-	-
ndirect Cost Recoveries	-	-	-	-	-	-
nonoperating Revenues (Expenses)	-	-	-	-	-	-
Nonoperating Revenues (Expenses)	(8,257)	-	-	-	-	-
Loss) Before Operating Transfers	173,405	81,371	(58,421)	158,669	138,438	141,084
ututed Capital	-	-	-	-	-	-
ing Transfers In (Note 13)	2,345	-	-	-	-	-
ing Transfers Out (Note 13)	-	-	-	-	-	-
ange in net assets	175,750	81,371	(58,421)	158,669	138,438	141,084
Assets- July 1 - As Restated	1,147,026	5,425,610	2,685,223	2,627,127	2,785,796	2,924,234
od Adjustments	3,847,642	(2,821,758)	325	-	-	-
re effect of account change	255,192	-	-	-	-	-
Assets - July 1 - As Restated	5,249,860	2,603,852	2,685,548	2,627,127	2,785,796	2,924,234
June 30	5,425,610	2,685,223	2,627,127	2,785,796	2,924,234	3,065,318
f expenses						
Operating Expenses divided by 6)	391,141	298,339	270,456	356,889	360,260	359,819

2007 Biennium Report on Internal Service and Enterprise Funds 2007

Fund	Fund Name	Agency #	Agency Name	Program Name				
6545	Prison Indust. Training Prog	64010	Dept. of Corrections	Mont Correctional Enterprises				
			Actual FY02	Actual FY03	Actual FY04	Budgeted FY05	Budgeted FY06	Budgeted FY07
g Revenues:								
ue								
ue from Motor Vehicle Maintenance Service								
ue from Fee B								
ue from Fee C								
ue from Fee D								
ue from Fee E								
ue from Fee F								
Net Fee Revenue								
ent Earnings								
; Lending Income								
s								
erating Revenues								
Total Operating Revenue								
g Expenses:								
Services								
erating Expenses								
Operating Expenses								
Income (Loss)								
ating Revenues (Expenses):								
s) Sale of Fixed Assets								
ndirect Cost Recoveries								
operating Revenues (Expenses)								
Nonoperating Revenues (Expenses)								
Loss) Before Operating Transfers								
puted Capital								
ing Transfers In (Note 13)								
ing Transfers Out (Note 13)								
ange in net assets								
Assets- July 1 - As Restated								
od Adjustments								
re effect of account change								
Assets - July 1 - As Restated								
s- June 30								
f expenses								
Operating Expenses divided by 6)								

Program Proposed Budget

The following table summarizes the executive budget proposal for this program by year, type of expenditure, and source of funding.

Program Proposed Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Exec. Budget Fiscal 06-07
FTE	202.85	0.00	0.00	202.85	0.00	0.00	202.85	202.85
Personal Services	8,223,206	841,357	0	9,064,563	851,902	0	9,075,108	18,139,671
Operating Expenses	1,849,765	191,435	0	2,041,200	185,647	0	2,035,412	4,076,612
Equipment	5,350	0	0	5,350	0	0	5,350	10,700
Benefits & Claims	6,072,076	0	0	6,072,076	0	0	6,072,076	12,144,152
Total Costs	\$16,150,397	\$1,032,792	\$0	\$17,183,189	\$1,037,549	\$0	\$17,187,946	\$34,371,135
General Fund	15,485,203	800,201	0	16,285,404	804,958	0	16,290,161	32,575,565
State/Other Special	436,517	0	0	436,517	0	0	436,517	873,034
Federal Special	228,677	232,591	0	461,268	232,591	0	461,268	922,536
Total Funds	\$16,150,397	\$1,032,792	\$0	\$17,183,189	\$1,037,549	\$0	\$17,187,946	\$34,371,135

Program Description

The Juvenile Corrections Division is responsible for all state operated youth programs, including: Pine Hills Youth Correctional Facility for males located in Miles City and Riverside Youth Correctional Facility for females in Boulder. Additional responsibilities include research and training for the division and other agencies, and administrative support services. Statewide juvenile community corrections includes parole services for youth released from state operated secure care facilities, youth transition center, specialized foster care services, interstate compact service for probation and parole in and out of state, juvenile detention licensing, and monitoring and funding for state district probation placements.

Program Highlights

Department of Corrections Juvenile Corrections Major Budget Highlights
<ul style="list-style-type: none"> The increase in total funds of \$2.1 million is primarily due to statewide present law adjustments
Major LFD Issues
<ul style="list-style-type: none"> Overstatement of overtime

Funding

The following table shows program funding, by source, for the base year and for the 2007 biennium as recommended by the Governor.

Program Funding Table Juvenile Corrections						
Program Funding	Base FY 2004	% of Base FY 2004	Budget FY 2006	% of Budget FY 2006	Budget FY 2007	% of Budget FY 2007
01100 General Fund	\$ 15,485,203	95.9%	\$ 16,285,404	94.8%	\$ 16,290,161	94.8%
02034 Earmarked Alcohol Funds	25,523	0.2%	25,523	0.1%	25,523	0.1%
02916 Phs-Canteen	5,740	0.0%	5,740	0.0%	5,740	0.0%
02927 Phs Donations/I & I	257,115	1.6%	257,115	1.5%	257,115	1.5%
02970 Juvenile Plcmnt Cost Of Care	148,139	0.9%	148,139	0.9%	148,139	0.9%
03084 Mvs-School Foods	-	-	28,000	0.2%	28,000	0.2%
03089 Phs-School Foods	-	-	150,000	0.9%	150,000	0.9%
03099 Phs-Esea Title I	-	-	45,941	0.3%	45,941	0.3%
03315 Misc Federal Grants	200,385	1.2%	209,035	1.2%	209,035	1.2%
03530 6901-Foster Care 93.658	<u>28,292</u>	<u>0.2%</u>	<u>28,292</u>	<u>0.2%</u>	<u>28,292</u>	<u>0.2%</u>
Grand Total	<u>\$ 16,150,397</u>	<u>100.0%</u>	<u>\$ 17,183,189</u>	<u>100.0%</u>	<u>\$ 17,187,946</u>	<u>100.0%</u>

This program is funded primarily with general funds and has a minor amount of state special revenue and federal funds. State special revenue funds are from alcohol funds from the Department of Health and Human Services (DPHHS), Pine Hills Youth Correctional Facility canteen funds, interest and income from the Department of Natural Resource and Conservation, and juvenile parental contributions to the cost of care funds. Federal funds are from pass-through grants from the Office of Public Instruction and Foster Care IV E payments from DPHHS.

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2006-----						-----Fiscal 2007-----				
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services					784,373					783,640
Vacancy Savings					(360,307)					(360,273)
Inflation/Deflation					13,435					7,647
Total Statewide Present Law Adjustments					\$437,501					\$431,014
DP 4 - Juvenile Corrections Division Overtime	0.00	332,700	0	0	332,700	0.00	343,944	0	0	343,944
DP 10 - Restore Inmate Pay	0.00	30,000	0	0	30,000	0.00	30,000	0	0	30,000
DP 15 - Juvenile Federal Authority Request	0.00	0	0	232,591	232,591	0.00	0	0	232,591	232,591
Total Other Present Law Adjustments										
	0.00	\$362,700	\$0	\$232,591	\$595,291	0.00	\$373,944	\$0	\$232,591	\$606,535
Grand Total All Present Law Adjustments					\$1,032,792					\$1,037,549

Each of these present law adjustments will be discussed in the sub-programs that follow.

Sub-Program Details

JUVENILE CORRECTIONS ADMIN 01

The Juvenile Corrections Administration Division is responsible for all state operated youth programs, including Pine Hills Youth Correctional Facility for males located in Miles City, Riverside Youth Correctional Facility for females in Boulder, and the Juvenile Community Corrections Bureau.

Sub-Program Proposed Budget

The following table summarizes the executive budget proposal for this subprogram by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Exec. Budget Fiscal 06-07
FTE	5.00	0.00	0.00	5.00	0.00	0.00	5.00	5.00
Personal Services	196,058	68,404	0	264,462	69,503	0	265,561	530,023
Operating Expenses	32,686	(573)	0	32,113	(555)	0	32,131	64,244
Total Costs	\$228,744	\$67,831	\$0	\$296,575	\$68,948	\$0	\$297,692	\$594,267
General Fund	228,744	67,831	0	296,575	68,948	0	297,692	594,267
Total Funds	\$228,744	\$67,831	\$0	\$296,575	\$68,948	\$0	\$297,692	\$594,267

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2006-----					-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				79,424					80,569
Vacancy Savings				(11,020)					(11,066)
Inflation/Deflation				(573)					(555)
Total Statewide Present Law Adjustments				\$67,831					\$68,948
Grand Total All Present Law Adjustments				\$67,831					\$68,948

JUVENILE CORRECTIONS BUREAU 02

The Juvenile Corrections Bureau consists of statewide juvenile community corrections including parole services for youth released from state operated secure care facilities, youth transition center, specialized foster care services, interstate compact services for probation and parole in and out of state, juvenile detention licensing, monitoring and funding for state district probation placements, research and training for the division and other agencies, and administrative support services.

Sub-Program Proposed Budget

The following table summarizes the executive budget proposal for this subprogram by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Exec. Budget Fiscal 06-07
FTE	21.50	0.00	0.00	21.50	0.00	0.00	21.50	21.50
Personal Services	1,072,544	(7,484)	0	1,065,060	(7,087)	0	1,065,457	2,130,517
Operating Expenses	283,623	(6,493)	0	277,130	(6,244)	0	277,379	554,509
Total Costs	\$1,356,167	(\$13,977)	\$0	\$1,342,190	(\$13,331)	\$0	\$1,342,836	\$2,685,026
General Fund	1,356,167	(13,977)	0	1,342,190	(13,331)	0	1,342,836	2,685,026
Total Funds	\$1,356,167	(\$13,977)	\$0	\$1,342,190	(\$13,331)	\$0	\$1,342,836	\$2,685,026

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
-----Fiscal 2006-----					-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds
Personal Services				36,893					37,308
Vacancy Savings				(44,377)					(44,395)
Inflation/Deflation				(6,493)					(6,244)
Total Statewide Present Law Adjustments				(\$13,977)					(\$13,331)
Grand Total All Present Law Adjustments				(\$13,977)					(\$13,331)

Each of these present law adjustments will be discussed in the sub-program sections that follow.

Sub-Program Details

RIVERSIDE YOUTH CORRECTIONAL FACIL 03

The Riverside Youth Correctional Facility located in Boulder, is a detention facility for juvenile female offenders. The program places an emphasis on offenders accepting responsibility for their actions and gaining individual competencies that will help them avoid re-offending. The treatment programs include education, counseling, personal growth activities, and parental involvement. This facility has an operational capacity for 20 juveniles. This facility had an average daily population of 19 during FY 2004 with an average cost per day per offender of \$189.

Sub-Program Proposed Budget

The following table summarizes the executive budget proposal for this subprogram by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Exec. Budget Fiscal 06-07
FTE	25.50	0.00	0.00	25.50	0.00	0.00	25.50	25.50
Personal Services	1,101,995	36,566	0	1,138,561	43,027	0	1,145,022	2,283,583
Operating Expenses	210,398	33,469	0	243,867	31,756	0	242,154	486,021
Total Costs	\$1,312,393	\$70,035	\$0	\$1,382,428	\$74,783	\$0	\$1,387,176	\$2,769,604
General Fund	1,292,259	53,519	0	1,345,778	58,267	0	1,350,526	2,696,304
State/Other Special	20,134	(20,134)	0	0	(20,134)	0	0	0
Federal Special	0	36,650	0	36,650	36,650	0	36,650	73,300
Total Funds	\$1,312,393	\$70,035	\$0	\$1,382,428	\$74,783	\$0	\$1,387,176	\$2,769,604

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2006-----					-----Fiscal 2007-----					
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services				31,695					31,259	
Vacancy Savings				(45,347)					(45,328)	
Inflation/Deflation				5,469					3,756	
Total Statewide Present Law Adjustments				(\$8,183)					(\$10,313)	
DP 4 - Juvenile Corrections Division Overtime	0.00	41,568	0	0	41,568	0.00	48,446	0	0	48,446
DP 15 - Juvenile Federal Authority Request	0.00	0	0	36,650	36,650	0.00	0	0	36,650	36,650
Total Other Present Law Adjustments										
	0.00	\$41,568	\$0	\$36,650	\$78,218	0.00	\$48,446	\$0	\$36,650	\$85,096
Grand Total All Present Law Adjustments				\$70,035					\$74,783	

DP 4 - Juvenile Corrections Division Overtime - The executive is requesting an appropriation for overtime for personnel at the Riverside Youth Correctional Facility. Overtime is zero based funded. The facility is operational 24 hours per day and 365 days per year, and overtime is used to maintain staff coverage.

**LFD
ISSUE**

Refer to the summary section of this budget analysis for a discussion on overtime calculated by the Department of Corrections.

DP 15 - Juvenile Federal Authority Request - The executive is requesting appropriation authority for annual federal grants that allow for the enhancement of education programs. These grants are from the Office of Public Instruction and include the Riverside Title I grant for \$8,650 and the Riverside school foods grant for \$28,000.

Sub-Program Details

TRANSITION CENTERS 04

The youth transition center, located in Great Falls, serves as placement for youth prior to their return into the community. Program components include counseling, community service, education, and employment. An average of six beds were full in FY 2004 with an average cost per day per offender of \$300.

Sub-Program Proposed Budget

The following table summarizes the executive budget proposal for this subprogram by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Exec. Budget Fiscal 06-07
FTE	16.00	0.00	0.00	16.00	0.00	0.00	16.00	16.00
Personal Services	555,279	27,921	0	583,200	28,293	0	583,572	1,166,772
Operating Expenses	102,238	(963)	0	101,275	(997)	0	101,241	202,516
Total Costs	\$657,517	\$26,958	\$0	\$684,475	\$27,296	\$0	\$684,813	\$1,369,288
General Fund	657,517	26,958	0	684,475	27,296	0	684,813	1,369,288
Total Funds	\$657,517	\$26,958	\$0	\$684,475	\$27,296	\$0	\$684,813	\$1,369,288

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments										
-----Fiscal 2006-----						-----Fiscal 2007-----				
FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Federal Special	Total Funds	
Personal Services				27,890					27,912	
Vacancy Savings				(23,326)					(23,326)	
Inflation/Deflation				(963)					(997)	
Total Statewide Present Law Adjustments				\$3,601					\$3,589	
DP 4 - Juvenile Corrections Division Overtime										
	0.00	23,357	0	0	23,357	0.00	23,707	0	0	23,707
Total Other Present Law Adjustments										
	0.00	\$23,357	\$0	\$0	\$23,357	0.00	\$23,707	\$0	\$0	\$23,707
Grand Total All Present Law Adjustments				\$26,958					\$27,296	

DP 4 - Program 05 - Juvenile Division Overtime – The executive is requesting an appropriation for overtime for personal at the Juvenile Transition Center. Overtime is zero based funded. The facility is operational 24 hours per day and 365 days per year, and overtime is used to maintain staff coverage.

**LFD
ISSUE**

Refer to the summary section of this budget analysis for a discussion on overtime calculated by the Department of Corrections

Sub-Program Details

PINE HILLS YOUTH CORRECTIONAL FACI 05

Pine Hills Youth Correctional Facility located in Miles City, houses male juvenile offenders. The operational capacity is 144 beds. The facility also provides residential sex offender and chemical dependency programs. The average daily population was 90 during FY 2004 with an average cost per day per offender of \$194.

Sub-Program Proposed Budget

The following table summarizes the executive budget proposal for this subprogram by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Exec. Budget Fiscal 06-07
FTE	134.85	0.00	0.00	134.85	0.00	0.00	134.85	134.85
Personal Services	5,297,330	715,950	0	6,013,280	718,166	0	6,015,496	12,028,776
Operating Expenses	997,387	165,995	0	1,163,382	161,687	0	1,159,074	2,322,456
Equipment	5,350	0	0	5,350	0	0	5,350	10,700
Benefits & Claims	76,734	0	0	76,734	0	0	76,734	153,468
Total Costs	\$6,376,801	\$881,945	\$0	\$7,258,746	\$879,853	\$0	\$7,256,654	\$14,515,400
General Fund	5,888,038	686,004	0	6,574,042	683,912	0	6,571,950	13,145,992
State/Other Special	288,378	0	0	288,378	0	0	288,378	576,756
Federal Special	200,385	195,941	0	396,326	195,941	0	396,326	792,652
Total Funds	\$6,376,801	\$881,945	\$0	\$7,258,746	\$879,853	\$0	\$7,256,654	\$14,515,400

Present Law Adjustments

The "Present Law Adjustments" table shows the primary changes to the adjusted base budget proposed by the executive. "Statewide Present Law" adjustments are standard categories of adjustments made to all agencies. Decisions on these items were applied globally to all agencies. The other numbered adjustments in the table correspond to the narrative descriptions.

Present Law Adjustments									
	-----Fiscal 2006-----					-----Fiscal 2007-----			
	FTE	General Fund	State Special	Federal Special	Total Funds	FTE	General Fund	State Special	Total Funds
Personal Services					608,471				606,592
Vacancy Savings					(236,237)				(236,158)
Inflation/Deflation					15,995				11,687
Total Statewide Present Law Adjustments					\$388,229				\$382,121
DP 4 - Juvenile Corrections Division Overtime	0.00	267,775	0	0	267,775	0.00	271,791	0	271,791
DP 10 - Restore Inmate Pay	0.00	30,000	0	0	30,000	0.00	30,000	0	30,000
DP 15 - Juvenile Federal Authority Request	0.00	0	0	195,941	195,941	0.00	0	0	195,941
Total Other Present Law Adjustments	0.00	\$297,775	\$0	\$195,941	\$493,716	0.00	\$301,791	\$0	\$497,732
Grand Total All Present Law Adjustments					\$881,945				\$879,853

DP 4 - Program 05 - Juvenile Division Overtime – The executive is requesting an appropriation for overtime for personal at the Pine Hills Youth Correctional Facility. Overtime is zero based funded. The facility is operational 24 hours per day and 365 days per year, and overtime is used to maintain staff coverage.

**LFD
ISSUE**

Refer to the summary section of this budget analysis for a discussion on overtime calculated by the Department of Corrections.

DP 10 - Restore Inmate Pay – The executive is requesting an appropriation for inmate pay at the Pine Hills Youth Correctional Facility. Inmate pay is zero based funded.

DP 15 – Program 05 – Juvenile Federal Authority Request – The executive is requesting appropriation authority for annual federal grants that allow for the enhancement of education programs. These grants are from the Office of Public Instruction and include the Title I grant for \$45,941 and the school foods grant for \$150,000.

Sub-Program Details

JUVENILE PLACEMENT FUNDS 06

Juvenile Placement funds are used to place youth under the supervision of the Department of Corrections into private treatment facilities. Over 1,026 youth were served with juvenile placement funds in fiscal 2004. Each judicial district has a Youth Placement Committee which functions as a screening committee for all juvenile offenders referred to as “out of home” placements, and makes recommendations to the Youth Court as to the most appropriate and cost-effective placement. The juvenile placement funds are allocated to judicial districts. In addition, \$1.0 million is placed in a cost containment fund each year. The costs containment panel determines the distribution of those funds.

Sub-Program Proposed Budget

The following table summarizes the executive budget proposal for this subprogram by year, type of expenditure, and source of funding.

Sub-Program Proposed Budget								
Budget Item	Base Budget Fiscal 2004	PL Base Adjustment Fiscal 2006	New Proposals Fiscal 2006	Total Exec. Budget Fiscal 2006	PL Base Adjustment Fiscal 2007	New Proposals Fiscal 2007	Total Exec. Budget Fiscal 2007	Total Exec. Budget Fiscal 06-07
Operating Expenses	223,433	0	0	223,433	0	0	223,433	446,866
Benefits & Claims	5,995,342	0	0	5,995,342	0	0	5,995,342	11,990,684
Total Costs	\$6,218,775	\$0	\$0	\$6,218,775	\$0	\$0	\$6,218,775	\$12,437,550
General Fund	6,062,478	(20,134)	0	6,042,344	(20,134)	0	6,042,344	12,084,688
State/Other Special	128,005	20,134	0	148,139	20,134	0	148,139	296,278
Federal Special	28,292	0	0	28,292	0	0	28,292	56,584
Total Funds	\$6,218,775	\$0	\$0	\$6,218,775	\$0	\$0	\$6,218,775	\$12,437,550